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Cuba

Castro Addresses ANPP Closing Ceremony

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[Speech by Cuban President Fidel Castro at the closing ceremony for the constituent session of the National Assembly of the People's Government, held at the Havana Convention Center—live]

[Text] [Castro] Distinguished guests, dear comrade deputies: I should first of all express thanks in the name of all the members of the Council of State for the very high honor the confidence and responsibility entrusted in us represent, at this exceptional time in the history of our country. Today is the conclusion of a lengthy process, since the day three years ago—if I remember correctly, it was 15 March—when the call for the Communist Party of Cuba [PCC] Congress was issued. The discussions began about this whole question of perfecting the people's government bodies. Three years have passed, and we really have met our goals. No obstacles or difficulties, however great they may have been, were able to halt our effort to carry out those ideas.

We were not then in the special period. We were nearing the special period when the PCC Congress was called, but there was no hesitation in issuing the call. We were in the midst of the special period, but there was no hesitation in discussing the reforms to the constitution and the electoral law to carry forward all the resolutions approved concerning the perfecting of the people's government bodies. There was no hesitation about holding the elections under these conditions. It was a great challenge. Profound changes were made in the way we elected our people's government bodies, not at the base level, but the National Assembly [ANPP], when we made the decision, at the recommendation of the PCC, to hold direct elections of the delegates to the [provincial] assemblies and the ANPP deputies. In the midst of the special period, that confrontation was really a very great challenge.

On a day like today, I cannot help but remember this process. I think that our party, our people, our people's government bodies, and especially the ANPP have acted with great dignity, steadfastness, and courage. We should not forget the effort of the previous legislature, although there has been a very great turnover. To be more exact, we should not forget it because there has been a very great turnover, of more than 80 percent of the ANPP. I think I heard two figures here today; one was what the president of the candidacy commission said, and one was what the president of the electoral commission said. One said 98 [people] were reelected, and the other said 93 were reelected. Right now I could not state one thing or the other, and I do not know if someone knows this exactly.

[Unidentified speaker] Commander, 93.

[Castro] There are 93. Alright. Here they have had to change the figure rather often to be exact and accurate. There are 93 from the previous legislature. But that ANPP made a great effort, since it carried out the ratification of the changes to the constitution and drew up and ratified the electoral law. That is what gave rise to this extraordinary process which has culminated today, or concluded today, because we could say that the process culminated on 24 February. Now, if we recount what has happened, even briefly, we can see that all the goals we set ourselves have been met, and something more could be asserted: We have exceeded them.

When we accepted that enormous challenge of elections in the special period, and the direct election of the deputies, we were really opening up an entirely new path. We were conducting an experiment that I do not think has been conducted anywhere else. We had reached a process of perfecting the people's government bodies to a truly very high degree. Without any kind of jingoism, we should feel proud of this. Without regrets of any kind, we should feel proud. Without fear of any kind of comparisons, we should feel proud, since there is nothing that compares to it, neither the courage in making these decision nor the success we have attained.

A lot has been said and thought and reflected on during all these days, but what we wanted to avoid, above all, was introducing politicking, corruption, division, and atomization into our electoral process. We were able to avoid this totally. I do not think that this spectacle of the candidates going around like brothers, conducting the election campaign, has been seen anywhere else.

In this election campaign, it was necessary to innovate and create. It did not resemble any of the election campaigns the world is used to. Not a single poster was seen. Not a single painted wall was seen. Not a single billboard or banner or advertisement was seen, and the mass media were put at the service of all the candidates. They will not be able to impugn the extraordinarily democratic nature of our process. First of all, because of the way the candidates were elected, or selected. Some people in some places have said that it was not right, since there is no multiparty system. In our country, there are a million parties, because if in other places the parties do the nominating, here any citizen in this country of voting age—and there are millions and millions of them—can propose for nomination any citizen of the millions of citizens in this country who have the right to vote.

Who can deny this? Who can be ignorant of what happens in the base-level assemblies, when the residents meet to propose the candidates, and when the residents are the ones who approve the candidates? What do we have to envy about those who may talk about having a lot of parties? In some cases there are hundreds of parties. We really should feel proud that that kind of madness has not invaded us, that that kind of madness has not affected us, as happens in so many countries. It hurts us deeply to see the nations and societies that are atomized, especially in Third World countries, which need unity so much as an essential factor to move forward and develop. This method we are using is fortunate. It is incomparably more democratic than the multiparty method. The application of a very revolutionary concept concerning democracy is the concept that the people do the nominating and electing.

There was also something else. The citizens did not have one vote. They had as many votes as there were candidates. They could vote for one, two, three, all of them, or none of them. Some did not vote for any of them. Others nullified their ballots. Others voted selectively. We cannot criticize at all those who wanted to vote selectively. That was their right, established by law. There was a large number who carried out the strategy of the united vote. That is so legitimate as a revolutionary strategy that no one can challenge it. We explained the reasons for it at length, and these reasons were amply understood by the vast majority of our people.

So our method has been truly new, original, and within the concept of a single party. We have not had to abandon Marti's ideas to have more than one party, in order to do the Revolution, to lead the Revolution, and in this case to build socialism in our country. We have succeeded in reconciling the concept of a single party with the deepest concepts of democracy. Our system has aroused interest, even among our enemies, the enemies who have so many ambitions against the Revolution, who underestimate our people so much. They thought this was the time to deal a blow against the Revolution, since we were in the special period, since we were enduring uncountable material deprivations.

They thought this was the time to deal a blow against the Revolution, and they had the opportunity to deal a blow against the Revolution. All kinds of scandalous news reports were published abroad saying that 30, 40, or 60 percent would nullify their ballots or cast blank ballots. They did not wage the battle there among the residents. They did not wage the battle there at the base level, in the communities, because they recognize at bottom, in spite of all their illusions, the strength of the Revolution. But they even imagined that a majority of the populace would cast blank ballots or nullify their ballots.

On the ballots, there were no candidates who were not nominated by the people. There were no candidates who had not wanted to go and compete freely at the base level. They hoped for that, but the final result was 70.3 [as heard] blank or null ballots, and not all the null ballots were nullified intentionally. There was 92.97 [percent] valid votes. Of that 92.97 [percent] valid votes, 95.06 percent was the united vote. If that figure were not enough, if that figure were not eloquent enough, it is enough to say that of the total number of those who voted—and 99.57 percent of those who had the right to vote voted—88.48 percent cast the united vote. That is the percent of the total ballots.

Now we ask those who present their system as a model: Why in that country do many people not vote? Why, if the model of Western democracy is the United States, to give an example—there are many who claim to be models—why do about 50 percent vote there? In those elections, when there were three candidates and a lot of money and advertising, and also a crisis, they managed to drag 54 percent of those who had the right to vote to the ballot boxes.

Now, compare that 54 percent with the 99.57 percent. You could say that almost 100 percent of the population that had the right to vote voted. Why? Why in that country do so many people prefer to go to the movies, or go out, on that day, and have no faith, confidence, or interest in the electoral process? In that country, a model of democracy, they elect the president with less than 30 percent of the votes; that is, less than 30 percent of those who have the right to vote. You can see the difference. In the elections for this assembly, almost 100 percent participated.

A very high percentage, almost 100 percent, have voted for the Council of State that has just been elected. Where are there more votes? Where does the populace participate more? In what other country are the candidates selected as they were selected here? They were selected at the base level, directly by the residents, then in the municipal assemblies by the delegates the residents had elected directly and through the lists presented by the candidacy commissions, made up of the mass organizations and chaired by the workers organization. This was without the PCC chairing the commissions, because this time the PCC did not chair the candidacy commissions. Not only that, but the candidacy commissions carried out a consultation process as has never been seen anywhere.

I want to know when they are going to ask the citizens there who they want to be their candidates for delegates. When are they going to ask the citizens? When are they going to ask all the base-level delegates, elected directly by the people, and nominated directly by the people, who they want to be their candidates? When are they going to consult with all the institutions? When are they going to consult with millions of people in order to draw up a list of candidates? When are they going to start with a pool of 60,000?

Because in those places with a multiparty system the party does the nominating and electing. I am not saying that it is exactly like that in every case, but there are many, many cases which are presented as models where the parties draw up the lists of candidates and the parties rank them on the lists, calculating beforehand through surveys more or less how many votes the parties will get and how many deputies—already known beforehand—will be elected because they are at the top of the lists, by decision of the party machines.

In what other country can one talk about elections without electoral machines? How many electoral machines did you have? What electoral machines do you represent? Where are there elections without propaganda, without advertising? What advertising have you had? How much have each of you spent on this electoral campaign? How much could any of you have spent? Because in other countries that present themselves as models of democracy, only those who have money to pay for the advertising can do politics and participate in politics. Only those who can spend incredible amounts on television, radio, the press, or the organizations of the electoral machines can do politics. In what other country could a humble, ordinary citizen without a cent be elected to the National Assembly or the Council of State?

I can see the faces of a few comrades here, and I ask myself what money they had to do an election campaign. Just as I can ask myself if there is any country where a Revolution full of justice has not first been done, and where full equality and equal opportunity for all has not been truly reached, where 274 delegates of the people, or delegates from the base level, can be elected. In what country where a Revolution like the one in Cuba has not occurred can a process like this one be implemented?

So this is why we have the right to feel pleased and proud of what we have done. But in addition, the requirement of getting half the valid votes plus one was a tremendous requirement which meant that a provincial delegate, who had first been a district delegate—where he got 600 or 700 votes, more or less, depending on the place—had to get 25,000 or 26,000 votes in some municipalities or districts. Where can the equivalent of a city councilman or municipal president also hold the office of national assembly deputy? These things are only possible in a Revolution.

Do not talk to me about the united vote, because the united vote was the people's strategy, the Revolution's strategy. But without the people, it would never have been possible to get 88.48 percent of the total ballots cast. This means that the vast majority of our people, to a degree higher than anywhere else in the world, having the opportunity to express themselves, the people expressed themselves for the nation, the Revolution, and socialism. [applause]

What would the result have been if the Revolution did not have the support of the majority of the people? Simply, those who are against the nation, the Revolution, and socialism would have nullified one way or another—by marking on them or casting them blank—the majority of the ballots. If the Revolution does not have the support of the majority of the people, it is very easy to get rid of the Revolution, simply by presenting themselves at the base level, at the assemblies of residents, to nominate their candidates who are against the nation, the Revolution, and socialism.

Who prevented them from doing this? This means our democratic, revolutionary system necessarily has the support of the majority of the people. [applause] The government was not elected with 28 or 29 percent of the votes of those who had the right to vote. But in addition, how clean our elections were! Here, in spite of the fact that we are in a special period, we did not need police or soldiers to guard the ballot boxes. In many places, there are soldiers with bayonets and guns, not children like Fernandito [a Pioneer from Santiago de Cuba], to guard the ballot boxes. We did not need police or soldiers at any of the almost 30,000 polling stations.

No one, not even our most recalcitrant enemies, not even those who are full of hate for the Revolution, have been able to talk about fraud, a single instance of fraud, a single fraudulent ballot. What do we see around the world? Every time there is an election anywhere, the next day those who lost begin to say that the elections were fraudulent. There are a lot of places where two months later they still do not know the results. In our country, a few hours later, the results were already known, in spite of the complexity of the process, in spite of the fact that there were ballot boxes in the mountains, in isolated places, in spite of the fact that ballot boxes were put in hospitals and many places, in spite of the fact that a train even voted along its route.

Of course, those who were on the train could not vote for the candidates for their municipality or district, but they could vote for the nation, the Revolution, and socialism. That is why no one wanted to go without voting, not the ill, nor those accompanying the ill, nor those who were travelling. Thus, almost 70,000 people voted outside their districts. They did not vote for the candidates for their districts, but they did vote for the nation, the nation's candidates. They were able to say and express a yes for Cuba.

This is what gave our elections the nature, in practical terms, of a plebiscite. In spite of all this, the next day the results of the elections for deputies were known with quite exact figures. Hours later, the results of the elections for delegates were known. This new ANPP has come from that original, truly unprecedented process. The quality of the candidates was very important, because without quality candidates, there was no possibility of bringing up in a revolutionary way and with high morale the strategy of the united vote.

The candidacy commissions needed first of all for their candidates to be approved by the municipal assemblies, and then the people would elect them. Even so, we had not concluded the process. We still had to elect the leadership of the ANPP and the Council of State. This same process of consultations was carried out. The candidacy commissions went to all the deputies to ask their opinions. They went to the mass organizations to ask their points of view. They went to the PCC leadership also, for consultations. The PCC was simply consulted, but the PCC did not chair the candidacy commissions or determine the candidates. The PCC sets principles and standards. The candidacy commission had the task of applying these principles and standards to this process of electing the president of the ANPP and the Council of State, since this has to do with the most fundamental things of the country.

The political consultations were fundamental at this level, since this was to form the state's leadership. The

PCC has constitutional functions, but the PCC did not dictate to the candidacy commissions. Rather, the PCC was consulted about these posts by the candidacy commissions. Now, what determined the views of the deputies and the mass organizations? Could the candidacy commissions be guided only by the views of the deputies or the mass organizations? No, they had other tasks. They had to draw up a list of candidates who were representative, in which certain sectors, which play a role and have a very great share in the country's life, were not absent.

Let us say that the mass organizations could not be disregarded. The mass organizations have played a fundamental role in this whole process. But in addition, the comrades here who belong to those mass organizations, in the individual consultations with the deputies, got the top places. They were among the top 30. That is, the deputies themselves had already proposed a high number of them as members of the Council of State.

It was inconceivable that our Council of State would have no representation from the base level, with the presence of representatives from the people's councils, which were another great innovation made in the people's government. It was inconceivable. The candidacy commissions had to find candidates who could play that role but who had not necessarily been proposed by a high number of deputies, simply because they do not know them. The same thing happened here as with the deputies who had a lot of merit but were not well-known. That mass that proposed, and proposed a lot, could not know which of the people's councils presidents could be here in the Council of State. That had to be the work of the candidacy commission. They found someone who was a people's council president in the city, in one of the most difficult and complex areas of the city. They had to find another who would represent or express the work done by the people's councils in the rural areas. These comrades were not well-known and could not appear in a lot of proposals.

The candidacy commission considered that the presence of an outstanding doctor, among the many outstanding doctors in this country, was essential. It was impossible for these 589 delegates to have enough information to know which doctor to pick. The candidacy commission had to work to find a pool of people, to find resumes, in order to propose one. Or an outstanding teacher, or an outstanding youth leader who would also express the students' feelings and desires and represent the students, who have played such a very important role in this process. But they did not necessarily have to be known to all the deputies.

So the candidacy commission could not let itself be led only by the mathematical total of those who had been proposed the highest number of times. If we take away those five comrades, all the other members of the Council of State got a high number of proposals from the ANPP, that is, from the members of the ANPP. Some got more, others got less, but they were among the top places in number of proposals. They reconciled the views of the deputies with the views of the mass organizations, with the concept of having representativity, and that they should be comrades of merit. Because as has been said here, merit and ability were taken into account above representativity.

That is why we think it was a very good thing that when many of us were proposed as members of the Council of State, we were not talked about. We were simply mentioned. We are very well known. In contrast, each of those five comrades were talked about here. There were five of them, right? Each of those five comrades were talked about, who they were, so that this ANPP would know about them and have more information before voting. That is why two hours were given for the resumes, so that they would have time to read through the resumes before voting.

The proof that they were read—or many were read, because I imagine that many also know those five comrades, they are not totally unknown—is that a comrade asked me what the 30 September Organization that appears on my resume was. That person even read my resume. It was Comrade Ramirito. [not further identified] He asked me what organization it was, and he put me on the spot because I almost did not remember what organization it was. I know it was a leftist organization, a revolutionary organization, founded at the university when we were students, and it waged a lot of battles. But in his reading, he read everyone's resume, the well-known and the less well-known people.

That is why a two-hour period was given to refresh their memories and so that they would be aware of what they were doing. There was no strategy of the united vote here. There was no campaign of any kind here. There was the presentation of the lists of candidates, the principles the lists were based on, the reference to the less well-known comrades, and the resumes, so that each person would be fully aware while they were voting, but without a strategy.

There was a strategy at the base level, in the general elections on 24 February. The Revolution has and must always have a strategy. It must always have a strategy to meet its goals. The strategy of the united vote was what gave solidity to the prospects of victory for many wonderful comrades who were not widely known by the masses. But a principle was repeated a lot. That is what pleased us the most about the united vote. It was said many times that it was not a slogan but a strategy which was presented as a need of the Revolution. What we wanted was for the principle of the united vote to be applied only with awareness, only with a good understanding of that need and suitability. I think that the greatest merit of the united vote was that it was done with awareness, great awareness, deep awareness. Of course, this says a lot about the revolutionary spirit of our people, their political awareness, and their political culture.

I wonder where else there is an electorate like the one we have, to carry out this process. That is why I said that we must not only defend our concepts of democracy but we should feel proud, and we have the right to compare and ask our visitors to tell us their opinions, when they are knowledgeable, because being ignorant does not give one the right to criticize. Some are amazed, given the enormous propaganda done by the Revolution's enemies through their mass media, when they hear an explanation of how our system works. They talk with true admiration about what we have done and what we are doing.

Some comrades have talked to me, and some students have told me: When foreign delegations come here, they are not going to believe us when we tell them that we were consulted, not about the lists of candidates for deputies, but about the lists of candidates for the Council of State. They will not believe that we were consulted about who should hold what posts, in our opinion, among the highest state posts, president and vice president of the Council of State, the members of the Council of State.

Some comrades said to me that they would not be believed when they said that they had been consulted, not just the workers, the women, and the Committees for the Defense of the Revolution, but the students. This is reasonable; the students are an important part of our society. They have played a decisive role, a special role, throughout the Revolution, and they are playing a very important role in this special period. But really, we could show things and demonstrate things that would amaze our visitors, however accustomed they may be to their systems. Because every day we receive news about what is happening in other places with the traditional system applied in the West.

As a result of this process, we have elected a magnificent ANPP, which in the next elections can be made even better. There should be no doubt about that, based on the enormous amount of experience we have accumulated. But there are really wonderful things about the meetings between the deputies and the voters. All of you have changed in some way. All of you have been deeply influenced by this process. I have heard everywhere what this direct contact with the voters has meant to the deputies personally, the impressions you have gotten, the admiration you have felt, in a process where the people....[corrects himself] or the deputies learned more than they taught in their contacts with the populace. The populace has gotten the idea that the contacts should continue.

This made clearer the fact that with this system the deputies are doubly representative. They represent the district or municipality, and the nation. Neither of these two things should be forgotten. It should never be forgotten that they represent the nation, because they are going to take measures and adopt decisions that will affect the nation, and they will do this on behalf of the nation. But they also represent the municipality and district from which they come. They are doubly representative, and they cannot forget the municipality and district from which they come. They cannot forget the need for contacts no matter what obligations they have as ANPP deputies. This is a tradition that has arisen out of this experience. Many more things must arise from this experience. Now we have an ANPP with great authority. Its authority was great, but now it is much greater as a result of the process of direct elections and contacts with the voters The voters are wondering if these contacts are going to continue.

It goes without saying that a deputy has to do everything he can for his country no matter where he comes from. He cannot become sectarian and think only of his district. However, a deputy should do everything he can for his district, and whenever there is nothing he can do, he should talk with the voters every chance he gets, to explain what is being done and what is not being done, what can be done and what cannot be done. We have to constantly explain things.

In the evening of 14 March, we were at a command post near the area that was flooded in Vedado. We are going to have to begin to change its name. I have thought of calling it Venice, the Venetian region in Plaza Municipality. I say Venice, because this has become an annual event. The streets are flooded all the way to Linea, with the rafts and boats, the BTR's [armored personnel carrier], the amphibious vehicles, the large trucks, and whatever tall vehicle capable of moving through it. But on this occasion it was not possible to reach some flooded areas even once during the early hours of the day.

However, there were dozens of people who live in a tall building near the Riviera Hotel, and they wanted us to take them there at any cost, because on other occasions they have seen certain vehicles reach that area. There were approximately 60 or 70 of them. We asked them to send two representatives to talk with us. We explained to them that it was not possible to reach that place at all, that none of the vehicles was capable of reaching it. We told them: Just now one of the vehicles is going to try. Do some of you want to go along? We invited some so they could see the conditions, the strong currents, not only the depth of the water, but veritable rivers on the streets, which totally destabilized the amphibious vehicles, and even the tallest trucks were under the water. It was not possible to reach certain areas.

We had to convince them that it was not possible to reach the area. Now we had to convince tens of thousands of people who did not see any amphibious vehicles or trucks during the night although they had seen them on other occasions. On this occasion the severity of the storm made it impossible for any vehicle to reach those areas. We had to explain that if during the night no vehicle arrived there, it was not because someone forgot about them but because it was impossible. They had no communications. They were not able to hear what was said on the radio and television because the power was out, except a few of them who had battery-powered radios. Thousands upon thousands of people were left waiting. This requires an explanation. Those who wanted to go, but it was impossible, had to be convinced. We also had to convince the tourists who wanted to evacuate the area, that it was not possible to reach them and that even if we could reach the area, the worst and most dangerous thing would be to evacuate them, because of the waves there. Those two women who came representing the residents of that building returned to where the other ones were and with eloquent and persuasive words convinced all the neighbors that the reasonable thing was to wait, that their families were safe—because they are accustomed to climbing to higher floors—and that it was too dangerous, and impossible, to reach them. In other words, many times something cannot be solved, but something can be explained.

The electoral campaign was not characterized by promises, nor should any deputy be characterized by unreal, ungrounded promises about things that cannot be kept. A deputy must tell the citizens the truth, but there is always something that can be done. There will always be things that depend on effort, not material resources. This has to be explained. The people understand. Remember the experience that many candidates for deputy mentioned: Nowhere did the people ask them for anything. The people welcomed them, listened to them, asked questions, but nowhere did they ask for anything. It is truly commendable, in light of the number of difficulties we have, that the voters do not ask the candidates for things they cannot do anything about.

This whole process should mark a new style in the work of the political cadres and in the contact with the masses. This challenge we have accepted and known how to undertake should teach us many things, but mainly this.

It marks its superiority over second level elections. Second level elections did not allow for this direct contact. Nevertheless, these direct elections did allow for that contact of our cadres with the masses.

It is truly extraordinary that in such a difficult situation we could have seen such a big political force, such an overwhelming majority. It is incredible that in such difficult conditions we were able to reach these results. It shows what a struggling, united, intelligent, and educated people can do when it works towards a determined direction. When thousands, millions of people mobilize for the whole process; to teach people how to vote, to explain how to use all those instruments; to explain technical aspects; to explain political aspects.

I was amazed when I heard the Knock-Knock Plan being mentioned for the first time. I asked: What is this Knock-Knock Plan? I was told: It is a program to go knocking on every door. Bringing them the ballot and teaching the people to vote. But the Knock-Knock Plan of knocking on every door was to persuade everyone that could be persuaded. Not only did we knock on every door, we touched every mind. That was the battle that we fought in preparation for 24 February.

Now this is the assembly of the special period. This is the assembly of the most difficult period of our history, Revolution, and country. We are fortunate to be able to count with a people like this one under these circumstances. I would say it is stimulating to be able to have an assembly like this one. The first one that emerged from the application of new ideas. The one that emerged in the midst of the special period and in the most difficult moments of the special period.

It is encouraging because this is the institution we need as the National Assembly and it has a tremendous historical responsibility. I would say that in all of our country's history, since the beginning of the first independence war, the different assemblies, for example, Guaymaro, Jimaguayu, etc., and those that emerged later, none has ever had such an important, decisive, and vital role as the one that this National Assembly has.

I am not trying to find arguments to flatter you. I am making these comments to awaken in each of your minds the idea of the importance of the work you must carry out. The responsibility you have assumed toward the people and history. This is the task that has been assigned to you. What is happening is that after the Revolution accomplished so many things, after it achieved so many extraordinary achievements, now it has to struggle to save what it accomplished. Now it has to struggle to survive as a Revolution starting anew following the disasters that took place in other places, starting anew following the colossal mistakes that took place in other places, starting anew following the betrayals that were committed in other parts of the world against the people and against mankind. [applause]

Those disasters and treasons affected us more than anybody. But it has also given us the opportunity to demonstrate who we really are: the people of this small country, who so many times have been accused of being a satellite. They wanted to see a satellite where there was a sun because today our people and Revolution shine, not as a planet, but as a star in a darkened sky. [applause]

We did not ask for such great glories. We did not claim such great honors. But since destiny has put that test before us, we have demonstrated that we are capable of facing those tests. We have demonstrated that we are capable of facing any risk, danger, threat, or situation no matter how difficult it may be.

In this very difficult situation that the world is going through, we needed an assembly like this one. In this very difficult situation where entire countries break up one after another, let us see what is left of those illusions after they destroyed that socialism, which had given them everything they had, after they destroyed the socialism that was a hope for mankind. What is left but frustration, poverty, inequality, and injustice. It is very sad. It is very painful.

But this teaches us a great lesson: We need to be serene, brave and wise, and avoid mad steps, because many crazy ideas emerge with the frequency of any hot head and even with the frequency of any cool head, because not all heads are alike. There are some that believe that during the special period they can make up a heap of things. They break their heads and rack their brains thinking of what they can invent, ignoring the objective realities. There are many mistaken minds that believe that by undoing this they can achieve something. To those minds we need to tell them to look over there and see and meditate on what it means to undo everything.

It has been discipline, order and unity that has allowed our Revolution to reach this point. Some of those former socialist countries do not know what they are, nor what they are going to become. No one knows who the enterprises belong to. They are not state property, they are not private, they do not belong to anyone, there is no plan, there is no order, there are no programs, there is nothing. What can come from nothing? What can come from disorganization, the lack of programs, the lack of plans, and the lack of concepts, but chaos.

I am amazed that with the enormous resources that some of these countries have, people are freezing to death on the streets with the enormous resources that some of those countries have, all kinds of resources, including energy resources. If we had the energy resources that some of them have, we would not be able to talk about a special period. To talk about the special period would be a joke.

I am amazed that, today, countries that had reached such a high level of development in the production of minerals, energy resources, and industrial productions, cannot resolve any of their problems and their economy declines more and more and more. We, who have been hit with a treacherous blow, which has been devastating, and which has deprived us of more than 70 percent of our imports, are still here struggling. We are making superhuman efforts so that our children are not in need of hospitals or schools, so that they can have the minimal things that we have, and that these products be at the reach of all the people.

Many times because of the small amount of resources we have, no one can believe that the country can continue under these circumstances. But, what is our weakness? Our basic weakness is the energy problem. That is the origin of it all. The energy problem is what has stopped many of our industries or it has reduced them to their minimum level. This is what has stopped production or minimized the production of cement and construction material. It has minimized the production of many industries.

We have other problems such as the problem with spare parts and the shortage of different types of materials. But nothing has affected us as much as the energy problem because the energy problem begins by consuming the bulk of the convertible currency that we obtain. It deprives us of resources to obtain other things. The fuel we obtain is not enough because, as we have said on other occasions, there is a true monopoly price on oil and an insignificant price on sugar, which does not have a monopoly price. It has, as we have said on other occasions, the price of the garbage dump of the world market.

Our country, with all these tremendous limitations, most important the energy limitations, divides those limited amounts of energy among so many activities that range from the generation of electricity, to the preparation of the soil, the harvest, transportation, the sugar harvest, etc., etc., etc..

How could we do this without organization or without order? How could we do this in midst of a chaos? One of the things that we have fought for the most is to maintain order and prevent chaos, and to prevent madness, and prevent illusions. There is a proverb that says that he who lives off illusions dies from disillusion. What we are seeing in entire nations dying from disillusion caused by illusions that mediocre politicians planted in their heads until they brought them to the situation, where, to this day, no one knows how it will end.

We must learn from these lessons and the experience of others. I was saying that during these difficult times it is necessary to have a first-class assembly. History will judge us not for what we may have done in the past but for what we do now under these circumstances. No one needs to feel envious of 1868, 1895, of the Moncada period, of the Bay of Pigs, or of other great moments in our country's history, because we survived through 1868, 1895, the Moncada, the Bay of Pigs, and the October Crisis. Today, we are defending what was defended in each one of those episodes with so much effort, sacrifice, and with so much blood.

That is what we want from each and everyone of you: That you become aware of the role you play here and out there, because it is not only about the time when the assembly gathers in a plenary session but it is also about the time you work on the commissions and the role the commissions play.

Just recently we were talking about the possible need of professionalizing some of the deputies. We have had to do this in some of the people's councils. The presidents of the people's councils, and there are 90 of them here, we have had to professionalize them, not establishing a salary for presidents of the people's councils but by guaranteeing the salary or income they receive according to the work they are carrying out, just like the deputies. Our deputies are not professionals, but it is possible that our reality will make us professionalize a group of deputies for more active work. We expect, not only much more contact of the deputies with the people, but a more active role from the assembly in every sense. We expect a much more active role from everyone during these times and in the coming months and years.

I repeat, this is the assembly of the special period and the most difficult phase of the special period. Now I ask: Are you prepared for the challenge? [Audience answers: "Yes!"] Are you aware of this? [Audience answers: "Yes!"] Are you willing to do everything the circumstances demand of you? [Audience answers: "Yes!"] Do you swear? [Audience answers: "Yes!"] Do you promise? [Audience answers: "Yes!"] Very well. I believe these have to be the ideas, the words, and the attitude of the special period.

Luck had it that on top of all the problems we had, just 48 hours before the swearing-in of this assembly, we suffered a real natural disaster and a grave natural disaster. We are not going to try to find scientific explanations to these types of phenomena during this season. I am convinced that this is related to the climatic changes. I am convinced that this is associated with the assaults to the environment, atmospheric pollution, the greenhouse effect that is a result of that pollution which is one of the great historical responsibilities of capitalism, of imperialism, and consumption societies.

It is these societies that launch billions of tons of carbon dioxide into the atmosphere as well as sulfur, mercury, and other contaminants into the air, the water, and the soil. They are responsible for poisoning the seas, rivers, lakes, and the atmosphere. They are responsible for the weakening of the ozone layer, they are responsible for these recent phenomena and these growing risks among them the risk of the warming of the planet's surface with consequences of all kinds.

In Rio de Janeiro, I was able to see the real anguish on the part of the representatives of many islands of the Pacific who worry about the sea level rising a few meters and losing their islands to the sea. You can imagine, what would be the consequences for us if the sea level were to rise in the course of a short period of time. They talk about a period of time of 30 or 40 years. That is nothing. Those effects can be seen already: more intense hurricanes, more violent winds, and prolonged droughts.

Those problems cannot be resolved with cannons. Those problems like the one in Somalia are problems that some day may affect all of Africa if the deserts continue to advance in the north and the south. One day they will have to invade all of Africa to supposedly bring food in tanks, on the tip of cannons, and killing people. It is a colossal crime against mankind to have invested so many resources in arms build-up and the arms race and not having dedicated those resources to apply measures and carry out research that would contribute to stopping the deserts. And what is called sustained or sustainable development without contaminating the environment and without destroying mankind's living conditions? In my judgment, the repetition of these phenomena that are so strange are caused by the climatic changes that are caused by contamination.

It is the fact that within 13 months, two years in a row, we have had such great storm surges. Last year was the greatest one of all. This year was even greater than last year's storm surge. What is this: a cyclone in the middle of winter? What is this: a hurricane—because what else can these winds be called—in the middle of winter, in the middle of March? It has been said that hurricane season is from June through October or November.

It is well known that cyclones move from east to west. They can forecast the probable course of the cyclone five or six days in advance, and sometimes one week in advance. But, who could forecast this phenomenon? It traveled from west to east on the front edge of a cold front. There are tens of cold fronts every year and they are even considered useful because they bring rain and cool weather. They help the crops. But this was a cold front headed by a hurricane. It cannot be called anything else. It was a strange lightning phenomenon with an infinite series of lightning that almost turned the night into day. There was rare and uninterrupted thunder. According to the National Observatory, the winds reached registered speeds in some places in San Antonio de la Vegas of 168 km per hour. But I am sure that in certain places that I saw, the winds must have reached 200 km per hour or more.

Trees were ripped up, windbreaks were destroyed. I know of cyclones whose winds were not as strong as these. Moreover, in general, cyclones turn and go from south to north. They pass through Pinar del Rio Province, or Havana Province, or Matanzas Province, Cienfuegos Province, or Ciego de Avila Province, or Camaguey Province, or the eastern provinces. But this hurricane came from the west toward the east, sweeping across the whole island. The weather observatory talks of 168 km winds in San Antonio de las Vegas, no, Santiago de las Vegas, in Santiago de Las Vegas [repeats] and 158 km winds in Sagua la Grande. Look at the distance. Without prior warning, it swept across the island affecting eight provinces fairly seriously. Just a few hours before it reached the country, there was some warning that it was coming and that perhaps it would arrive in the morning hours.

Furthermore, what can be done to confront a storm of this nature? Something can always be done especially by way of protecting the people and certain things. If it is known that a cyclone is coming, airplanes can be tied down, all kinds of measures can be taken but if a cyclone suddenly appears in the morning, with these winds, the airplanes and other equipment cannot be secured. They cannot be protected. Above all, threats to people's lives increases because they will have been unable to make prior arrangements for evacuation.

We have suffered a hurricane, blowing in the opposite direction that hurricanes traditionally take. And it has indeed caused damage. And the more data we receive, the greater we see what the damage is.

We have suffered great damages in agriculture. The storm practically razed the plantain plantations. It blew down all those trees bearing bunches that were already big, or small bunches still growing. And it also blew down the new shoots.

The storm also affected other crops: tomatoes, for example, which had already been affected. We had not had weather favorable to tomatoes. Strong winds blew from the south for many days in the month of January. Such winds often precede blights, because of the humidity, because of the heat, because of the physical damage such winds do to the plants.

Then came heavy downpours. These downpours affected not only our vegetable crops but also our tobacco crops. There was one area in Pinar del Rio that received almost 500 mm in a 24-hour period. Just imagine: 500 mm in 24 hours, and in winter to boot.

Of course, this also destroys the seedbeds. We are left without the possibility of being able to replant, at a particular date, what the water may have destroyed—because there are no seedbeds. It takes several weeks to reconstitute seedbeds.

We had been making a great effort in tobacco this year, although we have had weather really extremely unfavorable for growing tobacco, which canceled out a significant part of the efforts we made in tobacco growing. Tobacco is not a food crop, but it is one of Cuba's important export crops.

Now this hurricane, at the leading edge of a cold front, has affected tens of thousands of housing units, especially roofs, and even destroyed a number of them completely. It has also affected thousands and thousands of our economic endeavors: ships, workshops, warehouses. It has affected economic endeavors, in agriculture and even in the cities: industrial installations and factories; especially the roofs.

It has seriously affected many crops. Many, many electric poles were ripped out of the ground. Power lines were torn down and power interrupted. The supply of gas was affected as a consequence of the lack of electricity. The water supply too was affected, also as a consequence of the lack of electricity. All those services have been affected in eight provinces.

So, we already had previous problems: We were behind in the sugarcane harvest because of occasional difficulties with the fuel supply. For the first time, we found ourselves lacking fuel for the combines and tractors for the sugarcane harvest, despite the fact that the harvest had been made a priority. Other problems have arisen, for example, from a lack of cart tires. All that is needed, in the special conditions that we are working under, with so much tension, is for a ship to be two weeks or a month late and there are all kinds of problems in production and the sugarcane harvest.

If raw material for the production of batteries is delayed, if tires are delayed, if there is a shortage of fuel, all this has and does affect agriculture. It is affecting the sugarcane harvest. We have been working under conditions of great tension during these months, but I mean a lot, a lot, a lot of tension. But we have also been involved in this electoral process. This process, which was held not only during the special period, and it was an unavoidable process, but in the midst of the sugarcane harvest, in the midst of the cold-season harvest of tubers and vegetables, in the midst of planting and harvesting tobacco, in a period of many very important agricultural activities, food as well as export resources.

And on top of all of that, the hurricane. The truth is that one must have a heart of steel, not only of stainless steel, but of titanium steel in order to bear all of these adversities and not get discouraged and still fight. We must finish the sugar harvest. We could say that we have the whole thing left to do. Not one day, minute, or second can be lost.

There were times when any one of us thought about postponing the swearing-in of the ANPP a week because of this calamity but we decided not to. We had to swear-in the ANPP. We have to become accustomed to working and doing things under the most difficult of conditions and when the chief is not there the second-in-command takes over, and when the second-in-command is not there, the third- in-command takes over.

And whoever sees the population working under an emergency situation such as this, realizes that there are many magnificent people at the base-level. We are meeting here, but throughout Cuba there are thousands of electric sector workers organized into brigades restoring electrical power. There are thousands of employees from the waterworks and other sectors making an effort. There are thousands of cadres and comrades working to provide aid to storm victims. But there is no doubt that the presence of each and every one of you, and of each and every one of us, is needed on each and every one of the work fronts.

I think even Pacheco [not futher identified] has to monitor the baseball series to see if this time the easterners not only come out in first place in valid and united votes but also in baseball. Do not forget that the two of us are candidates more or less for the....[changes thought] There are many things to do and it is necessary that we return immediately beginning tonight to our work posts to work and encourage the rest of the people to work.

Having recently finished the electoral battle we must involve ourselves in this battle of recovering from the damages and recovering from the problems that have been accumulating. It is a special and serious effort. We struggle not only by voting united, not only by heartily and conscientiously supporting the fatherland, the Revolution, and socialism. Right now, we need to save the fatherland, the Revolution, and socialism with the machetes used to cut cane, with the winding machines that are used to produce spare parts, with the hoes used to weed the plantain and other crops when we do not have herbicides, by planting on time, harvesting on time, working 24 hours a day in those industries that can help us recover from this situation.

Now we have the most serious problem, from the social standpoint, of the roofs that were blown off by this hurricane, as well as all the agricultural damage. We need to overcome the agricultural damage. Of course, the plantations have not been destroyed. With lots of work we can recover the plantain plantations. In Havana Province alone, there are hundreds of caballerias of those plantations with the microjet irrigation systems. We need to reestablish irrigation and everything else and do all the work that should be done with the new shoots, the cutting, the weeding, quickly confront the weeds which will now grow faster with the disappearance of the foliage area.

We need to harvest potatoes throughout the country. We need to plant great expanses of boniato to have this tuber in four or five months. There were plans but now it is necessary to increase those plans. They are more important even though we will have a relatively good potato harvest if we consider the weather conditions we have had this year. But, we still need to harvest most of the potato. We have to weed, plant, and harvest what is left of the tobacco. We have to finish the sugar harvest and that is why the fatherland, the Revolution and socialism will be resolved with work and effort.

We cannot allow our spirits to decline. We cannot allow the enthusiasm to decline. We need to grow in the face of adversity. We need to multiply our efforts and we need to bring this message to our compatriots. This is very important. We could not do anything without an effort that would allow us to recover from the old and the new problems, and the difficulties brought on by the special period.

Therefore, this is the immediate task that we have before us. I must say that one of the serious problems is the need that the people, tens of thousands of compatriots, have for roofs. Well, there are some reserves of rolls of roofing paper. There are some continuous-tile [teja infinita] rolls and others of asphalt fiber. There are some reserves of asbestos cement tiles. But, that is nothing compared to the need that has been created with these winds in eight provinces.

We need to begin distributing them with priority to the social and economic areas that are in most urgent need of them. If there is a sugar warehouse that has had the roof blown off, we need to put a roof on it. If a fertilizer or food warehouse lost its roof, we need to roof it. A dairy farm can wait, but there are other things that cannot wait.

The materials for the production should be brought to where they are needed the most. We need to improvise solutions. Most important, the instructions were given immediately after the storm, of putting the factories of asbestos cement into full production. We have a reserve of raw material. Now we must operate the asbestos cement at full production and full capacity for the whole year. There are some machines for the production of asbestos cement that need to be assembled. There were some delays and since the special period began, some of these machines had not been completely assembled.

We have an important capability that can produce anywhere between 200,000 to 300,000 sheets per month. That equals anywhere between 2.5 million to 3 million sheets of asbestos cement.

The asphalt fiber plant in Camaguey is being repaired. We need to work 24-hours-a-day to complete the repairs and put the plant into operation. We need to guarantee the raw material and the electricity for that plant and for the asbestos cement plant. We need to use natural resources where we have nothing else and we need to import with urgency and within the limited resource that we have certain rolls of roofing paper.

We have purchased a number of rolls that must come from China. It is an expensive material but we need to make a special effort as soon as possible to bring those rolls of roofing paper to Cuba. But, it will take months before we have all the quantities of some of these materials that are needed right now. The country should make and is making the greatest effort possible to resolve, help, and beat this situation. We are making the greatest effort in every way possible with electricity, communications, water, and drainage that should take place.

There are basements that are flooded but until the water on the Malecon goes down we cannot pump the water out of those basements. Sometimes the residents get impatient. The problem is not that the equipment is not available. Until the water level goes down, they will remain flooded because if you try pumping out the water it will come back in. All these things must be explained to the population. What is being done and what should be done.

On 14 March, I was able to see the people in different areas working and picking up the debris to recover from the situation created by the storm. I saw houses completely destroyed and I saw many houses affected in the area of Santa Fe. The damage was also fairly great in the area of Playa Municipality, along the Malecon or close to the Malecon. Everyone was working I can affirm that because I saw it. Of course, they need a minimum amount of time to do these tasks and do them well. They are not losing one single minute or second.

We would have to return to all these places and be assured that, despite the great difficulties and limitations, the state is doing all it can to supply the minimum amount of material needed to help those compatriots that do not have resources or have found themselves in critical housing conditions. This is in addition to the accumulated necessities. I am not talking about that. I am referring to the problems created by this situation.

I think it is very important for all deputies to be aware of these problems and these needs, and for them to be very much aware of the fact that we are traversing a very difficult phase of the special period, for them to recommmend to everyone not to allow themselves to become discouraged. I would say that our people have lived through circumstances more difficult than these, back when the Cuban people were not independent, back when they had no Revolution.

However difficult the current situation may be, it can never be as difficult as those our country lived through under the Weyler Concentration Plan. Imperialism would like to repeat that, in our country, to try to defeat our people through hunger and illness. However, no people can be defeated if they are determined to resist, determined to fight.

We are counting on you to be frontline soldiers, and also frontline officers along with the soldiers, just as we saw some deputies doing yesterday in Santa Fe, out there in the mud and mire working alongside the residents and the machines to pick up the rubble. The district delegate was there, as was the [people's] council president, and the party cadres, and the deputies from that district. They were there seeking solutions and taking care of the population, taking care of the people in the shelters, working with a dedication truly worthy of admiration. That is what is needed everywhere, just as in war. For what is this if not a kind of war in which we have to deal with the political disasters others have suffered, deal with imperialism and its actions, and deal with natural disasters?

The Venezuelans had one such experience in the year following the proclamation of independence: the earthquake that destroyed Caracas. Bolivar said: If nature is against us, we will fight against nature. [applause] We will fight against our political enemies, and we will fight against the natural disasters. There is a lot that can be done, and do not forget that even where nothing can be done, a word of encouragement is a fortune. [applause]

This has shown that we are a people made of heroic raw materials, a truly revolutionary people, with a high level of preparation. The mere fact that there are 441 university graduates here in this ANPP gives an idea of the Revolution's accomplishments and how much we have progressed. The composition of the ANPP—the number of women, the number of deputies who are black—also gives an idea of this. All these factors give an idea of the enormous progress of our people in these years of the Revolution and are an expression of the way inequality has disappeared in our country, and the way discrimination has disappeared in our country. [applause]

The number of women, the number of black and mestizo comrades, the number of internationalists, the number of university graduates, give an idea of what we can do today. It is not that we looked for university graduates or women or black and mestizo comrades to form the ANPP in order to give it an image of (?ethnic) composition, or that we chose internationalists. Rather, all of this was a result of a selection process based on people's merits and qualities. What we have sought, what the candidacy commissions have sought, what the people have sought, is quality, and it gives us great honor to say that this is the quality of our ANPP and this is the composition of our ANPP.

We are greatly encouraged by knowing that we have found the ways to achieve this, that we have found the truly democratic, the revolutionarily democratic ways to achieve this. So there is the quality that was sought. There is the talent that was sought. Let us dedicate all this quality and talent to this battle. Let us fight as we have fought in these days, united, courageously, heroically, without becoming discouraged, using revolutionary methods. Let us be as patriotic, revolutionary, and socialist as we have been in these days. Then nothing and no one, no difficulty our imperialist enemies can present us with, no difficulty nature can present us with, will ever be able to defeat us.

It was with good reason that we held the elections on 24 February, the day on which the second war for independence began. It was with good reason that we have formed this ANPP on 15 March, the day of the Baragua Protest. Now let us ask ourselves: Are we or are we not worthy heirs of those men? [Audience answers: "Yes!"] Are we worthy of honoring those dates? [Audience answers: "Yes!"] Are we capable of doing what they did? [Audience answers: "Yes!"] Are we capable of performing the duties that have fallen to this generation of Cubans? [Audience answers: "Yes!"]

I am convinced that we are, and fate did not make a mistake when it chose a nation like this one to carry out such feats. Socialism or death, fatherland or death, we will win! [applause]

Alarcon Says U.S. Blockade 'Worse' Than Before

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[Interview with Foreign Minister Ricardo Alarcon by Christof Parnreiter in Havana "immediately after the first secret elections to the Cuban National Assembly on 24 February": "We Have No Other Choice But to Feed the Trojan Horse"]

[Text] [Parnreiter] Will the election of 22 February help Cuba take one step out of international isolation?

[Alarcon] I think so. The election was an important political challenge because all groups who live in exile in Miami and all radio stations there appealed to the people to take advantage of the secret election and vote against the government. Any unbiased observer, whether he approves of our system or not, will now have to recognize that the overwhelming majority voted for the candidates and thus for the social project of Cuba in a secret vote. It is stupid of the United States to think it can change the political will of the Cubans by a blockade and by creating difficulties.

[Parnreiter] Has Nicaragua's experience contributed to your decision not to introduce a multiparty system?

[Alarcon] A multiparty system does not correspond to our reality. In Nicaragua there used to be an internal opposition, although it was financed by the CIA. They want to force parties on us, as if there were a basis for them. The Cuban contras went to Miami 30 years ago, and this is where they act from now. Here they are simply not present, which explains the fact that they do not have any influence.

[Parnreiter] Nobody denies the Cuban revolution has brought enormous progress regarding social democracy. Yet, as far as political democracy is concerned, your country is subject to severe accusations.

[Alarcon] That is not a question of one or several parties, because the candidates were not nominated by a party but directly by the people. Basically, this is a philosophical question. The essence of Greek democracy was not competition but the fact that everybody could participate in the decision-making process under the same conditions. To implement this in a modern, complex society requires greater efforts than granting the masses the opportunity to vote for one or another candidate once every four years. We have been working on this process of the daily participation of the masses, and the direct election was part of it. Moreover, the West speaks of a multiparty system only when it suits them. In Angola, the election was won by the Popular Movement for the Liberation of Angola [MPLA], and the West is not lifting a finger to recognize this result.

In Haiti's history there has been one government that was elected by the people—and President Aristide is in exile while the candidate of the United States, who was beaten in the election, now resides in the presidential palace. Although there have been talks of an embargo, oil and many other things are exported to Haiti. If an autocratic sheik guarantees oil exports nobody in the West cares about the fact that there are no parties in his country.

[Parnreiter] Recently, Fidel Castro indicated that if outside pressure were to subside, new political possibilities might emerge in Cuba. Would that lead to a widening of the internal political room to maneuver?

[Alarcon] There can be no doubt that a lot would change if the blockade and foreign pressure were to end. For example, we would no longer be able to suspect that anybody might be an agent for Washington because there would not be any more agents.

[Parnreiter] The UN Human Rights Commission recently criticized your country again.

[Alarcon] Their report cites 51 cases, but all accusations are untenable. Among the states that criticize Cuba are some—including the United States—who have a rather bad human rights record themselves. The Human Rights Commission, for example, has also considered a resolution against worldwide child abuse, and it mentions 7,000 cases of child abduction in the United States—7,000 and not 51.

[Parnreiter] If there are not more than 51 cases anyway, why do you not simply leave those people in peace?

[Alarcon] No government in the world tolerates infringements against its laws without any sanctions. Regarding the alleged restrictive emigration policy I would like to say that anyone who wants to leave the country is free to do so, as far as we are concerned. Yet, what are the United States and Europe doing? They are building walls against refugees.

[Parnreiter] The confrontation between Cuba and the United States seems to have fallen back into the worst time of the sixties.

[Alarcon] In some respects it has even become worse. The blockade at the time did not ban donations of pharmaceuticals to nongovernmental organizations in Cuba, while the new Torricelli law, in practice, does. It bans U.S. subsidiaries abroad from trading with us. It authorizes the U.S. President to impose sanctions against countries that do conduct trade with Cuba. Only recently I read such a note to Switzerland.

The blockade of the sixties punished ships that called at Cuban ports by banning them from getting food supplies in the United States. The Torricelli law now even bans them from calling at a U.S. port for medical reasons, which is what recently happened to a Greek ship.

[Parnreiter] The crisis in the sixties culminated in a military invasion of Cuba. Do you see such a danger today, too?

[Alarcon] The United States has never given up this option. In the next years this danger might even increase because it cannot remove us through the blockade and because it does not want to coexist with us. Thus, they might be tempted to regard a military invasion as a last resort. Yet, we are not talking about overthrowing or abducting a government but about the elimination of a social project. This means they would have to fight against many people—how else could they bring back the big landowners? How else could they bring back private ownership of enterprises? Occupying a country whose revolution is backed by 95 percent of the population, with tens of thousands of soldiers would cause enormous costs for the United States—and of course for us, too.

[Parnreiter] Are there possibilities for negotiations between Cuba and the United States? What would your preconditions be?

[Alarcon] The recognition of Cuban independence and national sovereignty. Yet, we do not negotiate with anybody abroad about the political and social system of our country.

[Parnreiter] Do you see any possibilities of talking about the end of the blockade?

[Alarcon] That is as if you were to negotiate with a bandit who attacks your house. A crime cannot become the starting point for what is right; the crime must stop.

[Parnreiter] There are opposition groups that have called for an end to the blockade because they think it could consolidate Cuba's internal cohesion.

[Alarcon] We are not afraid of that! Let the United States try it out and lift the blockade for one year to see what happens!

[Parnreiter] Do you expect a change of course from the new U.S. Administration? For example, will it respect the resolution of the UN General Assembly that is directed against the blockade?

[Alarcon] Not in the short term. Yet, it will be increasingly difficult for the United States to maintain its policy. On the one hand it thinks the Cuban Government will be eliminated before long, because it assumes that it will be overthrown as a result of the difficult supply situation. This is why these elections have been so important, because they clearly indicate the opposite.

On the other hand, the question whether the new administration will be able to stick to its course for a long time, a course that is not only contradictory to the interests of the majority of Cubans but even to those of other states. If the United States were to attempt to control the economic activities of European and Latin American firms they would infringe not only on Cuba's sovereignty but also on that of other states.

It will be increasingly difficult for the United States to explain why it is necessary to apply a tougher policy against Cuba than it ever applied against the USSR. Moreover, a basic principle of humanity is also at stake, because it is inconsistent with any humanistic ideal to dominate a people through illness and hunger, which is what the United States is trying to do. This creates antagonisms that might finally harm U.S. interests.

Therefore, I think the North American strategy is doomed to fail because it is bound to spawn more and more opposition.

[Parnreiter] Do you fear that tourism and joint ventures, which are propagated as a way out the crisis in Cuba today, might turn out to be a trojan horse and destabilize the system of the country?

[Alarcon] I hope there will be so much investment that this problem will even grow. We are familiar with the social and political price, but the real danger is the economic crisis. Therefore, we must take a chance if, at the same time, we can obtain instruments to solve the economic crisis. Without tourism the black market would be even bigger, simply because there would be fewer products around. Therefore, we have no other choice but to feed the trojan horse.

Alarcon Advocates New ANPP Work Style

FL1703152593 Havana Radio Rebelde Network in Spanish 1000 GMT 17 Mar 93

[Text] Ricardo Alarcon, president of the National Assembly of the People's Government [ANPP] said he considers it important to channel—in a profound way and on a day-to-day basis—the contacts between those elected and the voters.

Alarcon, who is also a Politburo member, said last night over the television program Open Agenda that meetings between the members of the National Assembly and the people who elected them must become part of a new work style on the part of the ANPP.

Alarcon expressed the opinion that the ANPP should develop things, penetrate things, and serve as the instrument that channels matters and promotes concrete action by the entire population to confront the tasks the current phase requires.

Lastly, Alarcon said there should be many meetings between deputies and the electorate. He also stressed the importance of membership in the Cuban Government's supreme body.

ANPP President Alarcon Discusses Legislature's Goals

PA1703151593 Havana Radio Havana Cuba in Spanish 1300 GMT 17 Mar 93

[Text] Ricardo Alarcon, newly elected president of the Cuban legislature, said the new National Assembly of the People's Government [ANPP], which was elected by secret, direct vote, will seek primarily to perfect and strengthen the process with broad and open participation from the people who chose it and to face the country's current problems. Speaking on the "Open Agenda" television program, Alarcon said the fundamental goal of the new legislature is to turn the method of direct election into a system of communication between the elected and the electors.

Alarcon, who was previously foreign minister, said the legislature will constantly discuss Cuban foreign policy, particularly the defense of the revolution. He said, however, that it does not mean this topic will take precedence over domestic matters. The new parliamentary president said the new legislators must be characterized by humility, passion for the revolution, and respect for the people who elected them.

Referring to the reelection of Fidel Castro as president and Raul Castro as first vice president of Cuba, Alarcon said it demonstrates that people are united with the leaders of the revolution.

Deputy Says New National Assembly To Have More Authority

PA1703152193 Havana Radio Havana Cuba in Spanish 0000 GMT 17 Mar 93

[Interview with National Assembly of the People's Government, ANPP, Deputy Pedro Martinez Pirez by Pedro Denis Otero in Havana; date not given—live or recorded]

[Text] [Otero] I am speaking with Pedro Martinez Pirez, a colleague who was elected deputy to the National Assembly of the People's Government [ANPP] at the 15 March session. It was a day of historic significance in Cuba. Martinez Pirez, I would like to know what you think about the meeting on the day we commemorate Baragua Protest Day.

[Martinez Pirez] The fourth legislature—the 589 deputies who compose the ANPP—was sworn in during the 15 March ANPP session. In my opinion, the most outstanding accomplishment of that session was the naming of Ricardo Alarcon de Quesada, a man who enjoys much prestige in Cuba and internationally, to the post of ANPP president. Some people were surprised, including some deputies and national and international journalists.

The diplomatic corps, which was present throughout the session, from the morning until the evening, was also surprised. I think that the diplomats' surprise had a dual nature: the diplomats are happy on one hand, but on the other they are concerned because, in my opinion, Alarcon has led the Foreign Ministry through the most significant period since the revolutionary days, when Raul Roa Garcia, whom we have dubbed Foreign Minister of Dignity, ran the Cuban Foreign Ministry. His appointment, with that of Jaime Crombet, the new ANPP vice president, serves to confirm that we are in the face of a new phase of the Cuban Assembly, and that the process to perfect Cuban society is marching firmly. This is the result of a process. We will be seeing, soon, a more active and dynamic parliament that will have permanent work commissions, and this will effect not only the legislative environment but all sectors of Cuban life, including international relations.

[Otero] Alarcon's appointment surprised some people, like you say. Others believe that as foreign minister he could be much more useful. I think that as of now the ANPP is much more important. My question is: With Alarcon heading the ANPP and considering the people who form part of the new Cuban Assembly, will the ANPP be more active and have more significance in the country's political life? What do you think, Martinez Pirez?

[Martinez Pirez] I have no doubt, Otero, that this is a new phase of the Cuban Assembly. This is what I have concluded from my talks with many deputies. I think the Assembly has been boosted, qualitatively speaking. In this Assembly there are people who undoubtedly will contribute to the development and perfection of our society. I think this Assembly is new in many senses, and not just because of the people who form part of it or because of their records or professionalism in a particular field, but also because of what they will try to achieve.

[Otero] This means that the new Cuban Assembly could produce a different, or enhanced, political frame of mind in the country's political and economic activities. I think this is the way it should be, a new conception. President Fidel Castro, during his speech to close the Assembly spoke of the need for a new conception and new ideas to face problems because we are the only country, one of the few countries, that advocates socialism. This forces us to have new approaches and new ideas.

[Martinez Pirez] In addition to the new ideas, which are granted by the qualitatively new composition of the Assembly, there is, Otero, a new work style. That is: this Assembly will not have a passive bureaucratic or administrative function. This Assembly, with provincial, municipal, and local people's governments, will be, in my opinion, a true power and the true liaison between all the sectors of the national life in a very dynamic way. I believe there is a fundamental element here: direct and secret elections have given parliamentarians in today's Cuban Assembly enhanced authority. This does not mean that past parliamentarians had no authority, but the current ones have more authority. This authority was acquired with commitments to the voters and as a result of the election campaign, which in Cuba is different and permits an interrelation between the representatives and those being represented and the elimination of indirect elections [eleccion de segundo grado], which are inferior, from a democratic point of view, as we struggle from our position for the development and perfection of our society.

[Otero] Thank you, colleague and Deputy Pedro Martinez Pirez for your statements to Radio Havana Cuba.

Roundup of Politburo Members Activities 10 - 17 Mar

FL1803011693

[Editorial Report] The following is a compilation of fileworthy reports on the activities of members of the Politburo of the Central Committee of the Communist Party of Cuba carried on Havana radio and television in Spanish between 10 March and 17 March.

Radio Rebelde at 0000 GMT on 10 March reports that Jose Ramon Balaguer met with Cuban radio and television reporters at the theater in the Ministry of Foreign Relations. Balaguer highlighted the important role of the media during the elections. He added that they had been very creative in informing the people on the electoral process.

Radio Rebelde a 1800 GMT on 10 March reports that Julian Rizo Alvarez is attending an analysis meeting in Mayari Arriba Municipality, Santiago de Cuba Province.

Rizo stressed the need to increase coffee crop yield, and implement science and technology to improve the coffee crop.

Radio Rebelde at 1000 GMT on 11 March reports that in Cienfuegos, hundreds of health workers were informed, during a health sector meeting, of the sector's goals, as part of the preparation for the 7th Health Congress scheduled for the end of November in Santiago de Cuba. Nelson Torres Perez attended the meeting and acknowledged the selfless work of the health sector in the province.

Radio Progreso at 1200 GMT on 11 March reports that in Matanzas, Roberto Robaina spoke to thousands of Cardenas residents who welcomed top Union of Young Communists, UJC, leaders. Members of the national UJC directorate and 15 provincial first secretaries met with petroleum and sugarcane workers.

Radio Rebelde at 1800 GMT on 11 March reports Jose Ramon Balaguer Cabrera spoke at a ceremony marking the 35th anniversary of the creation of the 2d Eastern Front in Mayari Arriba in Santiago de Cuba Province. He stressed that for the Revolution, human rights are not a guideline to be followed but are the core of socialism, its reason for existing.

Radio Rebelde at 0000 GMT on 13 March carries an interview with Candido Palmero on the agricultural goals that will be discussed during Havana Province Communist Party of Cuba Committee plenum. According to Palmero, some of the topics to be analyzed will be the progress of the food program and the sugar harvest in the province. Rebelde further reports that Carlos Lage chaired the national assessment meeting on the work done during 1992 by the organizations that care for the blind, deaf, and the handicapped. This same newscast reports that Corps General Abelardo Colome Ibarra, minister of the interior, chaired a ceremony where four soldiers of the Ministry of the Interior were awarded for their participation in an operation, where a man accused of intimidating foreigners, was arrested.

Tele Rebelde and Cuba Vision at 0100 GMT on 15 March report that Candido Palmero chaired a meeting the Havana Provincial civil defense organization held to assess storm damages.

Radio Rebelde at 1800 GMT on 15 March interviews Division General Ulises Rosales del Toro at the Havana Convention Center during a recess in the National Assembly of the People's Government, ANPP. Rosales says that the representatives of the Revolutionary Armed Forces, FAR, who are present are well qualified to be ANPP members. He also praises the actions by the members of the FAR to cope with the damages caused by the recent storms.

The radio also carries an interview with Pedro Ross Leal, the secretary general of the Cuban Workers Federation, at the Havana Convention Center. Ross praises the exemplary attitude of the country's workers in responding to the problems caused by the recent storms, especially at the hotels in Havana. He says that the workers' participation in the election process was decisive, and that this ANPP is the best legislature in recent times.

Radio Rebelde at 0000 GMT on 17 March reports that Candido Palmero attended the Havana City People's Government Assembly which met to analyze recovery efforts following the storm. It was reported that the ground in some areas is still very wet and that there was speculation on the possible outcome of approaching storm.

Radio Rebelde at 1000 GMT on 17 March reports that on 16 March Jorge Lezcano presided over a meeting of leaders of the Communist Party of Cuba and the Cuban Government and heads of diverse Havana entities at which a program was discussed to provide services to Havana residents to whom electricity and water services have not been restored.

Radio Progreso at 1200 GMT on 17 March reports that the members of the national bureau of the Union of Young Communists, UJC, has held a meeting at which Roberto Robaina pointed out the need for the youth of Cuba to help with agricultural work, the sugar harvest, the work done in the urban areas damaged by the recent storm, and with other priority tasks at other locations.

Moncada Veteran Quintela Bonilla Dies

FL1803001693 Havana Cuba Vision Network in Spanish 2320 GMT 17 Mar 93

[Text] Oscar Quintela Bonilla, an outstanding revolutionary and a Moncada combatant, has passed away (?from a sudden illness). His wake is being held at the workers social club in Calabazar. Quintela Bonilla was a founder of the Orthodox Party and a member of the centenary generation. He had been given many medals and decorations, including the 20th Anniversary of the Moncada Medal and the Underground Struggle Combatant Medal.

When he died, Oscar Quintela held the status of founder of the party. The burial of this outstanding combatant will be held tomorrow at 1000 at the Calabazar cemetery.

Agriculture Ministry Provides Storm Damage Figures

FL1703205093 Havana Radio Rebelde Network in Spanish 1800 GMT 17 Mar 93

[Text] As we know, our agriculture suffered considerable damage as a result of the high winds that hit western and central Cuba last weekend. The Ministry of Agriculture has provided us with the following figures. Over 6 million banana plants were damaged, in addition to a good number whose leaves suffered wind damage. A 329- caballeria tobacco-growing area was affected. Of these, 35 caballerias were planted in shade tobacco. The number of tobacco workers lodgings destroyed comes to

951, and over 1,400 suffered partial damages. Thirty camps were also damaged, as well as 111 chambers of Virginian tobacco.

For potatoes, the effects cannot be measured because the damage to the plants' leaves does not show how much yields will be affected, in a year in which the weather conditions have been adverse for this crop. The same is true for tomatoes and vegetables; the damage cannot be quantified yet. For the fruit trees which were in blossom, such as mango and avocado, the high winds will cause a drop in the projected production. The loss of more than 23,600 poultry has also been reported, and more than 600 head of cattle were killed. There was damage to 647 buildings used for poultry raising, 670 buildings used for cattle raising, and about 36 buildings used for pig raising.

Likewise, different types of damage have been reported at the agricultural products distribution centers, especially at the Ocho Vias center, which lost the entire roof from the production shed, among other damages. For the retail network in Havana, 99 markets were damaged in different ways. Throughout the country, more than 120 barracks and camps for agricultural workers were damaged, and about 644 housing units, fertilizer sheds, warehouses, processing centers, canning centers, windmills, and irrigation machines were also damaged.

In all the affected areas, intensive work was begun at once to repair the damages to both the fields and the buildings.

* Havana City Garden Produce Totals Reported

93CA0070A Havana JUVENTUD REBELDE in Spanish 31 Jan 93 p 2

[Article by A.M.G.:]

[Text] Home gardens and truck farms in Havana City produced 282,045 quintals of tubers and vegetables in 1992, a figure comparable to the total production of high-yield farm cooperatives such as Niceto Perez in Guira de Melena.

Such self-run state operations are a boon to worker cafeterias and some work centers are even passing on their surpluses to others such as the National Botanical Garden and the Celso Staeckerman factory.

A total of 5,547 hectares (413 caballerias) are being cultivated in the capital in small plots, gardens, and truck farms (over 2 hectares), 86 percent of which are worked. The movement, which began almost as a hobby for city dwellers, has taken off to such an extent that in terms of volume of production as well as the amount of land used, they can be compared with state enterprises.

The largest volume of production naturally comes from the self-operated truck farms, which produced 230,000 quintals. Vegetables are the main crop on small plots of land and tubers are the main commodity of the truck farms, which use equipment and techniques that would be unworkable in family gardens, vacant lots, and plots near apartment buildings.

It is at work and child care centers that the best use is made of land incorporated into farm production. Self-run truck gardens exploit 85 percent of the land's potential.

* Decentralization, 'Profitability' Linked

93CA0070B Havana TRABAJADORES in Spanish No 5, 1 Feb 93 p 4

[Article by Jose Yanes]

[Text] I was recently asked to observe the results of the experimental MINFAR [Ministry of the Revolutionary Armed Forces] business training program at Military Construction Company No 3 in Santa Clara, which began in 1989.

The experiment specifically deals with the organization of work, discipline, effort and initiative, economic awareness in an expanding development process, various forms of attention to the individual, and other factors. These elements have generated tangible results, along with motivation, enthusiasm, love, and pride which I personally observed, quite an accomplishment for these difficult times.

I was unfortunately unable to see everything, this due to the multiplicity of tasks performed in a broad field rather than the brevity of my stay. I shall write about what I did manage to see. The rest will be left for a longer visit.

Today I shall describe the fundamental procedures on which I believe the development of economic awareness is based. This is a cardinal point, although one must never forget that these are an inseparable whole that interacts strongly with the rest: attention to man himself, an integral part of the business training system in place.

First of all, I noted that such awareness results from using decentralization as an instrument of leadership, a way of ensuring that responsibility is assumed for administrative action taken, while at the same time encouraging and promoting creative initiative and boldness in the field.

In addition, the combination of all these elements with suitable wage incentives based strictly on economic and productive results, particularly cost, thus becomes an instrument of leadership.

Since 1990, enterprises have been authorized to completely decentralize the activities of their basic units. For example, the latter have their own bank accounts and collect and pay for the services they render or receive, even with other basic units in the same enterprise. They draw up their own payrolls and pay their own workers, all of which effectively makes them small businesses.

Fidel Figueroa de la Paz, director of Military Construction Enterprise No 3, which operates as an actual federation of enterprises, admits that serious problems arose in the beginning, including the fact that managers of basic units had no money with which to pay workers.

"That is your problem," he would tell them. "Go see your customers and collect what they owe you and then use that money to pay your workers. These incidents have gradually created economic awareness among workers and helped increase effectiveness and efficiency."

We do not intend to tire the reader with a detailed explanation of pay and cost systems, thus lengthening this article unnecessarily. Suffice it to say that the more production, the more money saved on cost. The better the quality, the greater the wage for every brigade in the respective basic units in a set percentage that will rise or fall depending on the extent to which each unit has met or failed to meet its goals.

By talking with the manager of the basic unit in Manicaragua, foremen, and several workers, I was able to observe the high level of economic awareness that such procedures have instilled in them.

They know by heart how much they have in the bank, what production costs are based on weight, not only the total, but the actual breakdown (materials, wages, equipment, and so on). They have committed the whole history of such figures to memory and recall how things were last year and the year before that.

They work and work hard. They have met their production plan, not just in terms of value, but also in finished products, "special production," they call it.

It would be inconceivable for a worker in such a unit to allow any measurement to exceed specifications or a piece of equipment to be used a minute longer than necessary. Of the some 75 to 80 kg of tacks they once used on the average, to give but one example, they may now go three to four months without requesting any from the warehouse. They straighten the tacks and use them over.

Of course, the savings sought by reducing costs cannot ignore quality, inasmuch as cutting corners on quality would be penalized by losses in specific percentages of wages.

For all of these reasons and many more that considerations of space preclude from this commentary, Military Construction Enterprise No 3 shows a profit and even during the special period has increased "special production," ie, projects to be finished during the year, from 56 to 73 percent. Its net productivity per worker has increased by 12 percent over the previous year, while cost based on weight has dropped from 60 to 56 cents.

Walfrido Martinez, head of the enterprise's central office, sums it all up by saying that the experiment in decentralization teaches one to think collectively. He sees the key to everything in the system of costs applied to the entire brigade based on economic interest and wages, meaning, he says, "when the cost is assimilated by the worker and becomes everyone's problem!"

Cayman Islands

Jamaican Transports 'Ganja' in Scuba Tanks

FL1703172393 Bridgetown CANA in English 1526 GMT 17 Mar 93

[Text] George Town, Grand Cayman, Cayman Islands, March 17, CANA—An ingenious method to transport ganja from one Caribbean island to another has ended up costing Wayne Lawson, 26, of Kingston, Jamaica, two years in a Cayman Islands prison.

Lawson, a scuba dive master, was on board the MV Jean Brilliant arriving on Grand Cayman from Jamaica on December 6, 1992 when it was searched by customs officers. Acting on a tip, the officers discovered 108 pounds of ganja (marijuana) inside some scuba diving tanks that Lawson said belonged to him.

Lawson did not disclaim the ganja, but said the drug had been put in the tanks "by an old school friend" before they were loaded on the boat, and without Lawson's knowledge. Chief Magistrate Kipling Douglas discounted Lawson's story and sentenced him to two years in the Cayman Islands Prison. Street value of the ganja was placed at approximately 50,000 U.S. dollars by Drug Squad officers.

There are now 21 Jamaican nationals imprisoned in the Cayman Islands. Nineteen were convicted on various drug charges.

Dominican Republic

* Economic Statistics for 1992 Reviewed

93CA0066A Santo Domingo LISTIN DIARIO (SABADO ECONOMICO Supplement) in Spanish 30 Jan 93 pp 1-2

[Article by Andres Dauhajre, Jr. and Elizabeth Riley de Dauhajre]

[Text] The economy of the Dominican Republic was surpassed only by that of Chile in showing the best development in 1992 among the Latin American countries. The most positive aspects of the Dominican economy in 1992 were a real increase of 7.8 percent in the gross domestic product (GDP), a real increase of 5.4 percent in per capita income, an inflation rate of 6.4 percent, continued foreign-exchange stability, a substantial surplus in the public finance sector, increased dynamism in the free export zones and tourism, a notable flow of private capital, and a major increase in the foreign-exchange reserves of the Central Bank.

The real increase in the gross domestic product came to 7.8 percent, the result of major growth in the industrial or manufacturing sector (11.2 percent), construction (24.6 percent), trade (12.8 percent), telecommunications (15.1 percent), and the electrical (24.4 percent), crop-raising (5.2 percent), and livestock-breeding (6.4 percent) sectors.

The growth probably exceeded 7.8 percent, taking into account the fact that the official national accounts do not give sufficient weight to the economic activity generated by tourism and the free zones, which are included in the "other services" sector. The growth of 7.8 percent in the Dominican GDP in 1992 was exceeded only by that of Chile, which saw an increase of 9.8 percent.

Inflation remained under control in 1992, ending the year at 6.4 percent, one of the lowest levels in Latin America. A monetary policy liberated from the financing requirements of the public sector and in harmony with the expansion of the net international reserves of the Central Bank made it possible to control inflationary pressures and to create the liquidity needed for the strong economic recovery.

There was an increase of 20 percent in the notes issued (also known as high-power money), while the deposits made by commercial banks with the Central Bank based on legal fund requirements increased 51 percent. The two came together to allow expansion of 29 percent in the Central Bank currency issues. It should be emphasized that the increase in the notes issued came to 1.133 billion Dominican pesos, very close to the level of 1.115 billion that would allow expansion of the net international reserves of the Central Bank, reflecting extraordinary monetary discipline.

Although the currency in circulation increased by almost 24 percent, that in the private sector, it should be emphasized, increased by only 11.6 percent, less 5 percent in real terms. With an increase in revenue, or real product, of 7.8 percent, the demand for money increased at a more rapid rate than real private liquidity. Therefore the preferential interest rate of the private commercial banks increased from 28.4 percent in December of 1991 to 29.2 percent in December of 1992, despite the low level of inflation. The increase in the total currency in circulation was seriously affected in 1992 by the increase of 85 percent in government demand deposits, which were concentrated almost entirely in the Reserve Bank. Demand deposits by private persons declined by almost 305 million Dominican pesos in 1992, down 6.6 percent from the 1991 figure. Savings and time deposits in commercial banks were up 37 percent in 1992, reflecting, in part, a reduction in depositors' preference for liquidity. This is a desirable result, bearing in mind the bullish trend seen in the commercial banks' passive interest rates beginning in April 1992. The expanded monetary supply (M2) increased by 30 percent, forced upward by the increase in savings and time deposits.

Commercial bank loans were up 38 percent in 1992 over the 1991 figure. However, 45 percent of the increase in loans was due to the increase of 67 percent in the loan portfolio of the Reserve Bank. With the Reserve Bank excluded, the loan portfolio of the private commercial banks showed growth of 28 percent in 1992, slightly higher than the 23 percent seen for the deposits in private commercial banks as a whole.

The year ended with a surplus equal to 2.1 percent of the GDP in the public finance sector, far larger than the 0.1 percent seen in 1991. Tax receipts (including the oil differential and the contributions of Falconbridge, and excluding the exchange commission of two percent collected by the Central Bank) were up 30 percent in 1992, increasing the tax pressure from 13.8 percent in 1991 to 16 percent in 1992.

Import taxes were up 72 percent in 1992, a figure higher than the 26-percent growth seen for imports. This was the result of the adoption in 1992 of a more aggressive system of assessing imports than that in effect in 1991. This development explains the increase in the average customs duties actually paid on imports from 26 percent in 1991 to 31.2 percent in 1992. The ITBI's [general sales taxes] collected by the customs authorities increased by 124 percent in 1992, while the exchange surtax on imports was up 16 percent, even though the rate was reduced from 15 percent to 10 percent. Taxes on imports, despite the customs reform, have continued to be the most important source of tax revenue, accounting for 46 percent of it in 1992.

The majority of the other taxes showed substantial increases in 1992. Income taxes were up 16 percent, taxes on alcoholic beverages 71 percent (76 percent for beer), cigarette taxes 6.6 percent, the ITBI's collected domestically 32 percent, and the taxes on telephone company income 14 percent. It should be emphasized that the ITBI's have gained ground as a major source of fiscal income. At the end of 1992, the sums collected (including the ITBI's collected by the customs authorities) equaled 2.4 percent of the GDP.

The only major taxes showing a significant decline in the sums collected in 1992 were the oil differential, from which income declined by 3.8 percent, and the tax paid by Falconbridge on its exports of ferronickel, from which the central government obtained income that came to 39 percent less than the 1991 figure. This was due to the decline in the price of ferronickel on the world market, and therefore in exports of this ore.

The imbalance in the foreign sector increased substantially in 1992 as a result of the considerable economic growth and the decline in the exports of traditional goods. Despite the increase in the customs duties actually collected on imports, their value was up 26 percent, according to the official estimates, from $1.729 billion in 1991 to $2.175 billion in 1992. This shows that overall, imports responded to the increase in aggregate domestic demand seen in 1992.

Exports, for their part, were down from $658.3 million in 1991 to $560 million in 1992. This was the result of the decline in exports of sugar (- $21.2 million), coffee

(- $18.2 million), ferronickel (- $41.8 million), pike (- $13.6 million), and beef to the United States. The figure for beef dropped from $42.4 million in 1991 to $19.1 million in 1992 because of the prohibition imposed by the United States on the import of Dominican beef. This, in turn, was the result of the lack of sanitary controls.

Despite the fact that the average customs duty actually paid on imports increased from 26 percent to 31 percent, and although the decline in the exports of traditional goods and beef was mainly due to external factors, some experts on the nation's economy as well as experienced professionals, have inexplicably put the blame for the deficit in the trade balance derived from these figures on the "open approach."

The figures reveal a deficit in the trade balance of $1.615 billion. The surplus of $681 million in the service balance (generated by tourism and the free zones, in large part) and that of $411 million in net unilateral transfers (remittances, in the main) would indicate a deficit of $523 million in the current account. If to this we add the estimated deficit of $113 million in the official capital account, and the overall balance of payments surplus of $15.8 million, it can be concluded that the flow of private capital (excluding foreign investment, which came to $180 million), came to $471.8 million (including errors and omissions). The resulting volume of private capital appears much exaggerated. However, these are the estimates made on the basis of the official figures.

The magnitude of the deficit in the current account derived from the official figures is inconsistent with the increase of $80 million in the gross foreign-exchange reserves of the Central Bank ($30 million, if the payment of $50 million received at the end of December 1992 from the IMF [International Monetary Fund], in accordance with the stand by agreement is excluded. Nor is it consistent with the impressive stability in the exchange rate prevailing on the free market in 1992. That rate fluctuated within a range rarely exceeding two percent upward or downward.

Other sources suggest that the deficit in the trade balance is slightly lower than the official estimate. While the Central Bank and the CEDOPEX [Dominican Center for Export Promotion] estimate Dominican FOB [free on board] exports to the United States (including those from the free zones) at $1.395 billion, the U.S. Department of Commerce estimates the total at $2.165 billion—a difference of $770 million. On the other hand, while the Central Bank and the CEDOPEX estimate that Dominican exports (including those from the free zones) to the United States declined in 1992 by $9.9 million, the U.S. Department of Commerce maintains that there was an increase of $331 million (18.1 percent). This would indicate that there is a notable failure to record and/or there is an underassessment of the actual exports. A similar phenomenon is occurring with imports. This country imports more than the official figures indicate, as the undervaluation of imports is still continuing because of the high customs duties.

Estimates made by the Economy and Development Foundation, with corrections for the undervaluation and underrecording of exports and imports, indicate that the goods exported in 1992 came to a total of $870.4 million, and not the $560 million the official figures would indicate. The foreign-exchange income from local expenditures in the free zones exceed the official estimates by $119 million. Imports of goods, for their part, came to $2.4557 billion in 1992, rather than the $2.175 billion indicated by the official figures. These results would mean that at the end of the year, there was a trade-balance deficit of $1.585 billion, a service-balance surplus of $800 million, and a deficit of $374 million in the current balance of payments account, equal to 4.6 percent of the gross domestic product.

This deficit representing 4.6 percent of the gross domestic product in the current balance of payments account is relatively high (although lower than the 6.4 percent derived from the official statistics), and it should lead the government authorities to adopt policies designed to reduce it to a level equivalent to the long-term flow of capital into the country during the year. However, these policies should be established within the context of the strategy initiated at the end of 1990 for opening up the economy and eliminating the subsidies and incentives that tend to distort the process of allocating economic resources. The strategy should be deepened in order to put an end to the bias against exporters that continues to prevail in the country because of the high customs duties on imports.

* Prime Rate Averaged 31.01 in 1992

93CA0066B Santo Domingo LISTIN DIARIO in Spanish 27 Jan 93 p 1-D

[Article by economic editor Pedro Caba]

[Text] The active 90-day or "prime" interest rate averaged 9.57 percent less in 1992 than in 1991, while this year began with the same downward trend, as well.

This estimate was made by Servicios Bursatiles S.A. (Stock Market Services, Inc.), a consulting firm, which explained that while the prime rate averaged 40.69 percent in 1991, the average last year was 31.12 percent.

As to the rate prevailing on average for loans for periods of between 91 and 180 days, the firm says the average in 1991 was 39.7 percent, compared to 31.66 percent in 1992, while the average rate for loans for periods of between 181 days and one year was 36.19 in 1991 and 31.01 in 1992.

In contrast to this, at the end of 1992 the passive rates (those paid to depositors in the financial and nonfinancial intermediary agencies) were at 12.7 percent for deposits without a defined term and 5.64 percent for savings, while 80-day financial certificates paid 18.48

percent and the rate for deposits of between 180 days and one year was 15.18 percent.

"These levels reflect the concern felt by the monetary intermediaries because they are not receiving medium-range deposits with high rates, given the prospect of a continued decline in the level of the rates," the stock-market services firm says.

The consulting firm also warns that the excessive liquidity of 147 million Dominican pesos at the beginning of this year, benefiting 11 banks in the system, is exerting downward pressure on the interest rates.

"This excess of funds is not required, in the sense that the Central Bank is withholding it. Rather, it is capital money maintained in the Central Bank with a view to a decline in the demand for money, or an increase in public deposits," the firm says.

* Tourism Earnings in 1992 Exceeded $800 Million

93CA0066C Santo Domingo LISTIN DIARIO in Spanish 10 Dec 92 p 10

[Article by Vicente Estrella]

[Text] Tourism has generated more than $800 million this year, the president of the Hotel and Restaurant Association announced yesterday. Arturo Villanueva said that 1992 has been a positive year for Dominican tourism. He explained that during the year, the rate of occupation of the available rooms was more than 65 percent.

He expressed the hope that this sector can maintain this rate of growth during the coming year, in terms of the occupation rate as well as the foreign exchange brought in.

Villanueva said that major growth can be seen in the country's tourist operations, and that proof of this can be seen in the fact that 19,000 rooms were occupied in 1991, while the figure climbed to 23,000 in 1992.

He added that the National Association of Hotels and Restaurants (ASONAHORES) is working to ensure that this growth will continue.

He emphasized that the role of tourism as one of the main sources of foreign exchange in the Dominican Republic is being consolidated.

This businessman said that the hotels are making every effort to provide their customers with first-class services, and this has contributed to the increase in tourism.

Villanueva stated that the fact that the tourist sector earned almost $9 billion this year shows that the industry is developing well.

He said that this has been a very positive season for all tourist sectors.

* Free Trade Exports Totaled $1.097 Billion in 1992

93CA0066D Santo Domingo EL SIGLO in Spanish 18 Dec 92 p 1-D

[Article by Jose Mercedes Feliz]

[Text] Exports from the free zones this year generated foreign exchange in the amount of $1.0965 billion, representing an increase of 8.4 percent over the export figure for 1991, when the earnings were $1.0965 billion [as published].

In providing this information, Rafael Bello Andino, president of the National Council of Free Zones and secretary of industry and commerce, explained that the foreign exchange generated in 1992 in the categories of manpower, rent, and services came to a total of $300 million, representing an increase of 20.4 percent over the figure for 1991.

He said that the foreign exchange generated in the categories of manpower, rent, and services last year came to $249 million, and that in 1992, the employment figure reached 142,000. In other words, it was up 9.2 percent.

He said that despite the trend toward the integration of the international economies evidenced in 1992, the free zone saw a sustained increase in various respects.

During an explanation provided at the time of the signing of two agreements for the establishment of free zones in Santiago and San Cristobal, Bello Andino said that the main efforts of the National Council of Free Export Zones fell within the context of promotion and development of new businesses, in an effort to increase foreign-exchange income, jobs, and the transfer of technology in this way.

Concerning the development of the textile quota during the period between January and November of 1992, the National Council of Free Zones reported that the allocation and adjustments for the categories pertaining to the specific-limit group set a quota of more than 4.6 million docenos [units of cloth measurement].

Meanwhile, for the categories pertaining to the group with a guaranteed access level, the quota was 12.3 million docenos, representing an overall increase of more than 16.9 million docenos.

The portion of the quota used by the Dominican Republic in the categories pertaining to the specific-limit group between 1 January and 20 November came to 3,298,772 docenos, or in other words 52 percent.

Also, the category within the group of which the most use was made was 633—men's and children's tailored overcoats made of synthetic fibers. In this category, 85.6 percent of the quota was used, with 69,163 docenos being exported.

In second place were categories 338-638—mens' and children's T-shirts and undershirts made of cotton and synthetic fibers. In this category, the total used came to 446,421 docenos, or in other words 81.7 percent of the assigned quota.

In addition, for categories 351-651—pajamas and sleepwear for men, women, children, and infants made of cotton and synthetic fibers, the consumption rate was 81.5 percent.

Also, for categories 340-640—shirts made of cotton and synthetic fibers for men, children, and infants, the consumption figure was 80.8 percent, while for categories 347-8-647-8—pants made of cotton and synthetic fibers for women, men, children, and infants—the figure was 65.5 percent of the overall quota.

The least used categories were 342-642—skirts made of cotton and synthetic fibers for women, girls, and infants, since only 41.7 percent of the assigned quota was used.

* Italy Donates $22 Million for Sugar Refinery

93CA0066E Santo Domino EL SIGLO in Spanish 2 Feb 93 p 1

[Article by Elina Maria Cruz]

[Text] The Italian Government has agreed to finance the establishment of a sugar refinery at the Consuelo State Mill, based on the allocation of a $22 million loan to be paid out this year.

The source for this information explained that the Dominican Government sought the loan, which will permit the Consuelo Mill to produce 500 tons of white sugar daily. With this quantity, local demand can be satisfied, and it should eventually provide the state industry with the possibility of exporting a large volume of the refined product.

Technical studies on the project, including the drafting of plans, will be completed in the coming months, so that final results are expected between April and May of this year.

Italian technicians will install the refinery, which is to be built in an area already selected in the factory zone.

It was explained that Consuelo was selected for the project because the mill has been undergoing a rehabilitation process, thanks to a World Bank loan. This will ensure the efficiency of key production areas, such as the boilers.

The remodeling financed by the World Bank, as agreed upon during the administration of Vice President Carlos Morales Troncoso, included the installation of a fiber-removing machine and an electronic scale, as well as the adaptation of a new system for dumping the cane. Australian technicians worked on the first stage of the project.

The Macoris mill produced the largest quantity of refined sugar last year—more than 36,000 tons. According to estimates, it will produce some 30 tons of this product this year.

Porvenir, the only state mill which refines sugar, produced 67,000 tons of refined sugar last year. This year, the mill plans to produce 60,000 tons.

The Consuelo Mill, located in San Pedro de Macoris, 80 km from Santo Domingo, is the oldest of the state mills. It can process up to 3,500 tons of cane per day. It has about 3,000 tareas of land planted to cane, 67 percent of which it owns, while 33 percent belong to tenant farmers.

Before the project can be carried out, the loan from the Italian Government will have to be approved by the National Congress.

The idea of rehabilitating Consuelo in order to increase state production of refined sugar was first considered during the early months of Juan Arturo Biaggi's administration. The project was initially submitted to a number of international credit agencies, but was later shelved, until one day, Eng. Juan Hernandez Kunhardt revived it and pushed it forward.

According to the source providing this information, the Italian Government was interested in financing the refinery from the very first.

Haiti

Military Authorities Release Defecting Soldier

FL1703183693 Port-au-Prince Radio Metropole in French 1145 GMT 17 Mar 93

[Text] On the evening of 16 March, the Haitian Army released sailor Coracelin Williams, arrested 11 March at the Port-au-Prince International Airport. The conclusion of this affair, after what appeared to be a tug-of-war between the Haitian military authorities and the U.S. immigration administration, was that the deserting soldier was able to fly to New York with an American airline last flight [as heard].

The conclusion of this affair occurred on the afternoon of 16 March, a few minutes before the Clinton/Aristide meeting in the White House, 24 hours after an Army communique announced setting a procedure for a new trial of the Haitian military. No official explanation was given on this decision. Some reliable sources indicated that the decision was made by the governmental authorities without any further details.

One should recall that Williams Coracelin, the sailor soldier in the Haitian Army, left Port-au-Prince, accompanied by members of the U.S. immigration on 16 March, boarding a flight going to the United States.

DeRonceray, Theodore React To Aristide-Clinton Meeting

FL1703194493 Port-au-Prince Radio Metropole in French 1145 GMT 17 Mar 93

[Italicized passages in Creole]

[Excerpts] Reactions have begun to emerge in Port-au-Prince following the meeting between Aristide and Clinton. The current government has not yet reacted to the words of the United States President. The subject will undoubtedly be discussed in the Council of Ministers mmeting on 17 March. Meanwhile, Radio Metropole was able to get the reactions of two political leaders, Hubert De Ronceray and Rene Theodore. Edner Jean filed a report:

[Begin recording] [Jean] Hubert De Ronceray is cautious not to make superfluous comments while waiting for the statements to materialize through action. He was opposed to this meeting, or was at least hoping for the elimination of the case for the return of the ousted president. However, the MDN [Mobilization for National Development] leader noted with satisfaction Bill Clinton's willingness to provide substantial economic aid to the country based on the restoration of democracy in anticipation of national reconciliation. Regarding the statements by Father Aristide, however, De Ronceray is skeptical. A few minutes in the company of the U.S. President seemed to be enough to cause Jean-Bertrand Aristide to completely abandon his political convictions, De Ronceay exclaimed. The MDN leader therefore believes that we must expect other factors before the acts are materialized.

[De Ronceray] I believe President Clinton showed his goodwill. He favors the establishment... [corrects himself] the restoration, the rescue, of Haitian democracy. He favors serious economic aid to Haiti. I personally consider those statements very encouraging. However, we in the MDN strongly doubt that an anarchist can, from one day to the next, become wise and finally be converted to playing the game that has always been destroyed by his philosophy. We do not understand how the apostle of violence can suddenly become wise. We therefore wish good luck to those who believe in this conversion as we wait.

[Jean] Rene Theodore believes in it. President Aristide's message of appeasement is a positive step toward the restoration of a climate of security, according to Theodore, who believes that the process of restoring power has definitively begun. He alleges that a solid agreement among Haitians remains to be found so the return of the 16 December elected [president] is not perceived as something simply imposed by the international community.

Furthermore, the National Reconstruction Movement representative noted a clearer understanding of the events that occurred in Haiti, events linked—in his opinion—to the poverty of the country. The prime minister designated by Aristide under the Washington Agreement says that he supports the steps aimed at boosting the Haitian economy.

[Theodore] *[passage omitted] By the way, I must observe with great satisfaction President Aristide's stand in relation to the solution for Haiti. President Aristide's partisans—the majority of the population who voted for him—will surely receive his message very well, a message of appeasement in which he exhorts them to avoid violence and reprisals against those who participated in the coup. It is a very good thing, it is a good step toward appeasement and toward—let us say—the restoration of a climate of security and peace that can be beneficial to Haiti.*

[Jean] These are the preliminary comments of two political blocs with differing views on the political crisis and on the matter of the return to constitutional order. [end recording]

Further Disagreement Reported at Senate Session

FL1703213093 Port-au-Prince Radio Metropole in French 1145 GMT 17 Mar 93

[Report by correspondent Ansy-Rose Resignac]

[Excerpts] [Passage omitted] An attempt to hold a Senate session on 16 March turned into a shouting match with exchanges of bitter words. Negotiations between the members of the two camps will nevertheless resume in an attempt to normalize the situation at the Senate, which has been deadlocked for nearly three months.

[Begin recording] [Resignac] Once again, the wise men offered a very crusty spectacle within the scope of a series [of spectacles] that they have been presenting since the month of February. The main actors in the 16 March play were Senators Thomas Eddy Dupiton and Jacques Rony Mondestin, president of the office of the Alliance [for Parliamentary Cohesion] and quaestor of that office for the opposition. [passage omitted]

The incident began while the Alliance senators close to the government were preparing to hold a session to vote on a bill on the functioning and the organization of the territorial communities. This was a surprise for the members of the Constitutionalist Bloc who were expecting a new meeting within the scope of the negotiations begun last week on the crisis situation that the Senate is experiencing. A long row ensued between Dupiton and Mondestin. [passage omitted]

Despite this incident, Sen. Thomas Eddy Dupiton and his group believed they were in session. The parliamentarian announced decisions. He said that from today on, everyone is positively forbidden from entering the audience room until the arrival of the office. Dupiton threatened as well to take appropriate measures if Sen. Mondestin and [Joseph Clark] Parent persisted in disregarding the Senate rules. The statements by Sen. Dupiton provoked the anger of Sen. Eudrice Raymond who said that no unilateral decisions can be taken while the negotiations are under way. The senators finally agreed to resume the discussions. This decision did not seem to be good for several senators who won the 18 January elections. They very likely feared a solution that might be harmful to them. Romel Manigat [senator for the Department of the North elected in the 18 January elections] was categorically opposed to the discussions.

[Manigat] Nothing can be done about dishonesty. This morning, dishonesty is obvious. Nothing can be done about dishonesty. The North, which I represent, has had enough, [repeats] has had enough. If we have to close the session, you [referring to Dupiton] must resign. You are not equal to your responsibilities. [passage omitted] [end recording]

Jamaica

Political Contenders Optimistic About Election Turnout

FL1703152893 Bridgetown CANA in English 1409 GMT 17 Mar 93

[Text] Kingston, Jamaica, March 17, CANA—The leaders of Jamaica's two big political parties agree that voter turnout for the March 30 general election here will be significantly higher than the relatively low-level opinion polls recently suggest could be the case.

More than 80 percent of eligible voters usually cast their ballots in national elections, but commentators, extrapolating from data in a recent survey by late pollster Professor Carl Stone, have been suggesting that this time it could be as low as the mid-60's range.

According to Stone's survey, in February, 36 percent of the potential voters were uncommitted. This was an unusally high level for any period, but especially at a time when an election was in the offing. Stone and other analysts had argued that Jamaicans were becoming disenchanted with the political process.

Speaking during a broadcast debate Tuesday [16 March] night, both Seaga and Patterson agreed that the number of uncommitted persons would drop as elections grew closer and suggested that the turn-out would be in the 75-percent to 80-percent range. Seaga said many voters were waiting until the last minute to decide how to cast their ballots.

"I would be very surprised if we go to election with 30-something percent uncommitted," Seaga said. "I believe it will go down to the low 20's, but perhaps not as low at the 16 percent, which is usually the figure in the elections."

Patterson too said he would be "very, very surprised" if that high level of committed voters remained. He added: "I have seen something that indicates that we should be getting a voter turnout in the order of 70 percent at least, and that is what our canvassers are showing." In February, the PNP support among the committed voters stood at 38 percent, compared to the JLP's 26 percent.

Seaga 'Polite' During Televised Debate

FL1703154993 Bridgetown CANA in English 1440 GMT 17 Mar 93

[Report by Paget de Freitas]

[Text] Kingston, Jamaica, March 17, CANA—They found common ground on a number of issues and disagreed on some points, but were overly polite to each other. At no time did either prime minister Percival Patterson or opposition leader Edward Seaga hint at either anger or even serious irritation with each other. The sparks did not fly in an historic debate between both men on radio and television Tuesday night ahead of the March 30 general elections here.

"All in all, I think it was draw," said [words indistinct], Dr. Trevor Munroe, in a post-debate television discussion. "That means Patterson is still ahead." Patterson's People's National Party (PNP), according to a recent opinion poll, had a 12-point lead over Seaga's Jamaica Labour Party (JLP) among the committed electorate—a figure disputed by the opposition.

Probably the sharpest area of disagreement between both men was on the state of the economy. Patterson painted a picture of an economy that had stabilised and was on the mend while from Seaga's perception it was a country in crisis. In Patterson's view, there was "no objective reason" for a devaluation of the Jamaican dollar, either now or after the election. Seaga argued that a devaluation had in effect already occurred on the black market, which he claimed was financing a significant bulk of the imports. Merchants were pricing their imports at an exchange rate of upwards of J24 dollars to U.S.1 dollar against the official rate of J22.20 dollars to U.S.1 dollar.

"That is in fact a devaluation, by whatever name you call it," said Seaga. Both men also disagreed on whether a PNP administration, if returned to office, would have to introduce a heavy tax package to finance a new round of pay increases and other obligations. Seaga suggested that it was inevitable; Patterson felt that most of the gap would be closed with more efficient tax collection.

Patterson and Seaga agreed on the need to fight political violence, but disagreed with popular perception that it was largely controlled by politicians. They also agreed on a number of sectors to be taken out of partisian debate: education, health, security, an investment policy, and accountablity of constituency representatives. There were bipartisan attempts to deal with most of these areas.

While a draw was possibly the fairest verdict of the debate, Seaga, at the start, appeared more confident and at ease before the television cameras. Patterson grew in confidence as the questioning went on and, like Seaga, with statistics from his period in office during the 1980's, showed a command of government economic data.

Both men spent 90 minutes fielding questions from a panel of five journalists. At the end, Seaga went across to

Patterson and they shook hands. The consensus in the postdebate was that the questioning was not incisive or aggressive enough.

"I think the panel was the weakest part of the whole thing," said Merrick Needham, a logistics consultant and former broadcaster. "The questions were not as piercing as I might have expected," added financial analyst Anne Shirley.

The analysts agreed that despite the generally lacklustre performance, the debate, to be followed by one next week by three-member teams from the two parties, was a step in the right direction. They suggested that the leaders square off again after the debate between their officials. "This was like a dress rehearsal," according to Needham.

Former PNP general secretary, D.K. Duncan, now estranged from the party, argued that the format of the debate was wanting. It did not allow for follow-up questions and deep probing. The perception of benign questioning apart, Seaga might have helped set the tone for the marked civility in his opening remarks.

"This debate," he said, "is not intended to be an event in which one leader will score against the other—a one-upmanship exercise. "It is an event which offers the only opportunity for the leaders to explain the policies and programmes of their parties." He said that campaign platforms were not suitable for such exercises. Nonetheless, there was the occasional witty barb—mostly by Seaga, as with his retort to Patterson's claim in his opening statement that when the PNP returned to office in 1989 it was to a country of "disunity, disillusionment, and general dejection."

"I would hope that in this debate we are going to be speaking about the same country," retorted Seaga. "The country of which he spoke is not one that I recognise," added Seaga, reeling off the list of positives, which he said he left Jamaica with. Seaga was at it again when claiming that most of the policies being carried through by the government were framed by his JLP.

"The JLP has been the computer, the PNP is the print-out," he quipped.

Patterson threw a few barbs of his own, including a less-than-veiled reference to Seaga's reported autocratic and centralised leadership style.

"A good conductor doesn't attempt to play all the instruments," he declared.

Seized Ammunition Poses Concerns of Election Violence

FL1703181593 Bridgetown CANA in English 1644 GMT 17 Mar 93

[Text] Kingston, Jamaica, March 17, CANA—Jamaica police said they seized more than 2,000 rounds of ammunition and several police uniforms Tuesday [16 March] in the West Kingston community of Tivoli Gardens. One man, a tailor, has been detained in connection with the find. West Kingston is a notoriously volatile area and the find raised concern in light of the island's current general election campaign.

According to the Police Information Centre [PIC], a security patrol was in Tivoli Gardens Tuesday evening when they spotted six armed men. The men ran, leaving a bag with the ammunition. The police uniforms were found during further raids, the PIC said.

Patterson, Seaga Deny Rumors of Default on IMF Targets

FL1703182593 Bridgetown CANA in English 1723 GMT 17 Mar 93

[Text] Kingston, Jamaica, March 17, CANA—Prime Minister P.J. Patterson is confident of Jamaica comfortably meeting International Monetary Fund (IMF) first quarter targets under the country's new three-year programme with the fund.

Opposition leader Edward Seaga concurred that the government would meet the March targets, but alleged that it was because the Central Bank had bought foreign exchange on the black market to build its reserves.

The issue of Jamaica's future relations with the IMF were raised during a political debate Tuesday [16 March] night between both men and a recent article in the "INSIGHT" newsletter here that Jamaica would fail the March test.

"There is no foundation to that whatsoever," Patterson asserted. "All the present indications are that we are in no trouble at all." The prime minister said the Central Bank would exceed its net international reserves target by nearly U.S.100 million dollars.

Agreed Seaga: "The government is in no danger of failing an IMF test in March." The opposition leader charged that the Central Bank bought "vast sums" of foreign exchange on the blackmarket and "put away a substantial nest egg." Seaga's allusion was to the charge that the Central Bank had bought foreign exchange at rates higher than the posted figure—an issue that was subject to an enquiry by one-time Central Bank governor, Hoarce Barber. Patterson promised that Barber's report will be published by Friday.

Seaga said the upshot from the Central Bank's alleged currency dealings was businesses starved of foreign currency, an active blackmarket, and an effective devaluation of the Jamaican dollar.

Jamaica has been in IMF agreements almost continually since 1977 and Patterson has pledged to make this one the country's last. Performance indicators, he said, suggested that the country should be able to achieve this. While the prime minister was upbeat about the prospects for the economy, Seaga painted a picture of crisis. It was a crisis borne from an inability to manage rather than a fundamentally flawed economic direction, Seaga said.

"Insofar as the policies of the two parties are concerned, the JLP (opposition Jamaica Labour Party) has been the computer, and the PNP (ruling people's national party) has been the print out," quipped the opposition leader. "All the policies being followed by the present govenment were laid down in the 1980's" (when the JLP formed the government). The difference was, Seaga argued, was that "we operated these programmes with a certain amount of management that did not produce chaos in the process of change." The opposition leader attempted to belittle the government's 1990 liberalisation of the currency market and the removal of foreign exchange.

His 1980-89 JLP government had planned such a move, but would have done so when the Central Bank had the reserves to defend the Jamaican dollar. In the event, Seaga said, it was the "single most disastrous event" in Jamaica's economic life, bringing hardship on the people with the steep devaluations that followed.

However, Patterson contended that the economic policies being pursued by his government "command broader national consensus than at any other time in our history." Both men rejected suggestions that politicians were directly responsible for the violence which tends to dog general elections here, and eschewed personal and party responsibility. Seaga said politicians could not be held responsible for every household in their constituencies. While it was possible that some people might be involved in inciting violence, "it should not be a blanket charge levelled at politicians."

Patterson pointed to the level of violence in Jamaica and stressed it was an issue that the society had to deal with. He added: "I would shudder from the thought than any politician, indeed any responsible citizen, could be engaged in any exercise of this sort.

"I have made my position clear—it is better to lose an honest election that to win by thuggery and violence."

Political Parties Sign Code of Conduct for Elections

FL1803013793 Bridgetown CANA in English 2306 GMT 17 Mar 93

[Text] Kingston, Jamaica, March 17, CANA—Jamaica's political leaders signed a political code of conduct here Wednesday [17 March] aimed at ensuring that the March 30 elections are conducted peacefully. Prime minister and ruling People's National Party (PNP) president, Percival Patterson, and opposition Jamaica Labour Party (JLP) leader Edward Seaga were [words indistinct] signatories to the document, an updated version of one signed prior to the 1989 elections between Seaga and Patterson's predecessor Michael Manley.

The code requires among other things that the political parties and their followers avoid political confrontation and refrain from intimidation of and violence against opponents. It also specifically demands that "there should be no procurement or distribution of weapons of any sort for use in political activities." In case of a breach or suspected breach, the two parties will "consult with the other and, if necessary, invoke the intervention of the (independent, political) ombusmdan before recourse to any other forum."

The 1989 code, which had similar requirements has been credited for the relative peace and goodwill, which characterised that election campaign. Jamaica has had a long history of violent election campaigns with hundreds dying in politically related incidents in the 12 months leading up to the 1980 elections.

Wednesday's signing of the code of conduct occurred against the backdrop of a significant heightening of political tension here since last Friday, when candidates were nominated for the monthend elections. The JAMAICA HERALD newspaper reported this week that six people had died in politically motivated incidents. The police, however, were unable to specifically link the incidents to politics.

NAFTA: French Firms Discover Mexico

93ES0455A Paris LA TRIBUNE DESFOSSES in French 23 Feb 93 pp 16-17

[Article by Blanca Riemer: "NAFTA: French Business Owners Discover Mexico"]

[Text] On 17 December, President George Bush; the Mexican chief of state, Carlos Salinas de Gortari, and Canadian Prime Minister Brian Mulroney signed the North American Free Trade Agreement (NAFTA), each in the capital of his own country. This was a quiet ceremony because George Bush, who had just lost the presidential election, was not in the mood to rejoice. However, this treaty may go down in history as one of the most brilliant achievements of a presidency criticized for its lack of vision.

In record time, after 18 months of negotiations, the three nations succeeded in sketching out the organization of a market of 360 million consumers, larger than that of the European Community. The United States also achieved a major strategic objective—the stabilization of Mexico, an inexhaustible source of illegal immigrants—by binding it definitively to the colossus of North America.

The implications of this treaty were immediately examined in detail by the management personnel of French businesses. It will be necessary to adapt the industrial strategies being implemented in North America as quickly as possible, because if, as is expected, the treaty is ratified before the end of the year, the customs barriers among the three countries will begin to fall as of 1 January 1994.

French firms have already made a colossal effort to establish themselves in the United States, investing $12 billion between 1989 and 1991 to win a place in the sun on the American market. Henceforth, based on all the evidence, Mexico will be the focus of their preponderant interest. It has a market of 85 million consumers, one that is growing steadily, and it is shaping up as the heavy winner as a result of the treaty. And it is the country offering the greatest opportunity for entry into the American market at the lowest cost for the companies that have not established themselves in the United States and those seeking to augment their presence there. The attractions offered by French Canada are also being reviewed. But, while in theory this area offers the same advantages as Mexico, the recession in Quebec and the separatist desires of the French-speaking province have dampened enthusiasm for the time being.

The French firms became aware of the attractions of Mexico some time ago now. In 1992, the flow of direct investments into that country showed an upsurge, reaching 7.7 billion francs. The total achieved between 1989 and 1991 had been minuscule—only 4 billion francs. But the amounts nonetheless remain very modest in comparison to those for other countries. What is needed now is to catch up.

Francois Perigot, the president of the CNPF [National Council of French Employers], will travel to Mexico at the beginning of May at the head of a delegation of businessmen. The German president, Richard von Weizsacker, and Prince Albert of Liege paid earlier visits to Mexico, each of them presenting his respects to President Salinas in November. And Prince Charles of England visited Mexico last week, making his first official trip in the post-Diana era.

There are other considerations to be taken into account. Bill Clinton has stated, loud and clear, that he plans to give priority to American businesses. Certain French industrialists already detect hesitation where foreign investment is concerned. They think that the era of mega-acquisitions has come to an end since in the future the United States will favor American solutions. "Henceforth, there will be a strong incentive to invest in Mexico and in Canada," Jean-Louis Gergorin, in charge of strategic coordination at Matra Hachette, notes.

Some companies have already laid out a clear path of action. GEC Alsthom has almost no presence in the United States, and it will therefore approach the North American market "from both ends," as Henry Dhaussy, director of the Americas sector of the Franco-British group, stresses. In January, GEC Alsthom secured a contract involving 3.4 million francs for the turnkey construction of a thermal power station near the town of Tuxpan, in the state of Veracruz. The group is also enthusiastic about the Mexican government's interest in using gas for combined-cycle power plants. In order to glimpse the tempting prospects, it suffices to contemplate the contract in the amount of 5 billion francs obtained by GEC Alsthom recently to provide the city of Hong Kong with a power plant of this type.

GEC Alsthom has even more ambitious plans. With the help of the NAFTA, "We are trying to determine whether we can supply private industrialists in the United States with electricity from Mexico," Henry Dhaussy says. This is potentially a very profitable market, and it involves an operation that would be pleasing to the ecologists who are happy to see the "delocalization" of as many power plants as possible. Discussions with American investors are under way, and possible sites have already been selected.

Using Mexico as a bridgehead for the expansion of the company's presence in the United States is an option available to the strategists at Roussel-Uclaf, as well. The Franco-German pharmaceutical firm has already won 2.5 percent of the Mexican health market thanks to growth of between 10 and 15 percent per year, which produced a turnover total of 430 million francs last year. While only 30 percent of the families in Mexico are covered by social security at present, the figure will soon be between 50 percent and 60 percent, which will increase health costs, Herve Bourrat, who heads the Latin American department at Roussel-Uclaf, comments.

Following the signing of the NAFTA, the group has been contemplating a strategy for North America. The Mexican plant has been fully modernized, and "we are now in a competitive position for exporting to the United States," Herve Bourrat emphasizes. The group is, therefore, seeking Food and Drug Administration approval for its Mexican plant.

Roussel-Uclaf is also contemplating specializing in industrial sites in the insecticide sector. It is studying the possibility of building a plant in Mexico to supply both the local market and that in the United States, while the plant which already exists in Texas would specialize in different products, also to supply both markets.

While some industrialists are counting on diversity, others have selected Mexico as the base for their industrial strategy in North America. This is the case with Moulinex. After taking over full control of the Mexican Vistar company, the group has a plant employing 1,400 individuals in Celaya in the northwestern part of Mexico. The exports of coffee makers, grinders, mixers, and irons made in Celaya to the United States and Canada are proceeding briskly.

Thanks to this Mexican production, but also to the reputation of Krups in the United States, the firm hopes to achieve a total turnover of a billion francs in the North American market by 1994, based on total sales of 8.1 billion francs in 1992. "The North American development center, with Mexico as the anchor point, will become increasingly autonomous," Gilbert Torelli, the group's general director, says.

SEB, another giant in the electrical household-appliance sector, is playing on both fields. Its two subsidiaries, Tefal and Rowenta, have seen increases in sales in the United States of between 20 and 25 percent per year since 1990. The turnover total in North America now accounts for 10 percent of the global turnover of the group, which came to about 8.2 billion francs in 1992. But while the Tefal frying pan did indeed catch on in the United States, its top-of-the-line electric deep fryers were too expensive for the American market. The firm has therefore established a production branch (T-Fal of Mexico) in Mexico. It has "maquiladora" status (meaning it is a subcontracting factory benefiting from a favorable tax regime). The parts are produced in France, assembly takes place in Toluca, 60 km from Mexico City, and the merchandise is then sold in the United States. SEB now plans to manufacture certain components on site. "We plan to emphasize delocalization (transfer outside of France), in order to protect ourselves further against the dollar risk," an official of the firm says.

Valeo is capitalizing on the boom in the Mexican automobile industry that has been accelerated by the delocalizations. Its two plants (clutch fittings and engine-cooling systems) supply Chrysler and Volkswagen. Activity is so intensive that Valeo is planning to build a third plant to produce heating and air-conditioning systems. The figures speak for themselves. In 1983, the output of the Mexican automobile industry was 285,000 units, 4,000 of which were reexported to the United States. In 1992, production reached 1.1 million vehicles, of which 350,000 crossed the frontier. Production is expected to reach 1.5 million units in 1995, with 500,000 being reexported to the United States.

In some cases, success in the United States has lead to establishment in Mexico. This is the case with the Casino distributing group (with a turnover total of 64.2 billion francs in 1992). Its American subsidiary, SFI, which is based in California and is listed on the New York Stock Exchange, has just concluded a joint-venture arrangement with a very wealthy Mexican family that owns the largest company in Baja California. The new company, in which the two partners have equal shares, will deal in coverings of the "hard-discount" type, highly valued by the Hispanic population in the northern part of Mexico.

"Our American subsidiary understands the Mexicans very well," Antoine Guichard, the president of Casino, notes. "Our team believes that thanks to its extraordinary development and to the free-trade agreement, Mexico is precisely the market that corresponds to our concept." The northern part of Mexico represents only a beginning. Casino wants to develop throughout the entire country, Antoine Guichard says.

The implications of the NAFTA have not escaped Air France, which concluded an agreement with Aeromexico in November enabling it to develop its service to American areas from Mexico. The two companies will coordinate their schedules, offering passengers easy point-to-point bookings and will undertake joint advertising and publicity. This alliance "will make it possible to benefit from the economic recovery resulting from the creation of the vast North American market," Bernard Attali, president of Air France, asserts. A similar arrangement has been made with Air Canada.

The discovery of Mexico is progressing with the help of the Mexican government, which is actively seeking European and Japanese investments in order to prevent the country from being completely absorbed by the United States. Early in the century, Mexican President Porfirio Diaz exclaimed: "Poor Mexico—so far from God, so close to the United States!" Today, 70 percent of Mexico's foreign trade is with the United States. The Mexican government does not want this percentage to increase, and it is therefore preparing to lift some restrictions that still impose limits on foreign investments, except in such strategic sectors such as the production of hydrocarbons. The new law will be promulgated when the NAFTA becomes effective. It will apply not just to the North American partners, but to all countries.

Direct French investments in Canada, on the other hand, declined in 1992, since companies gave priority to major alliances with Canadian companies, mainly with a view to sales on third markets. GEC Alsthom and the Canadian railroad company Bombardier, which are working together to develop TGV [high-speed train] service in

North America, are looking into some 20 potential routes. They achieved an initial success in Texas, where they have been commissioned to study, finance, and build the Dallas-Houston line. More recently, the Canadian Northern Telecom company has acquired a 20-percent share in the capital of Matra Communication, with a view to developing joint worldwide telecommunications projects.

North America, with Mexico as a new anchor point, is thus taking shape as a priority focus of French investments in the 1990s.

Mexico's Ambitions

Mexico hopes to emerge from the ranks of the underdeveloped countries and to become an industrial power. Thanks to its population, the diversity of its natural resources, and its intensive growth in recent years, Mexico is on the way to achieving its goal.

Major Growth

Between 1989 and 1991, the growth rate in Mexico was about 4 percent, the strongest in North America. Growth slowed beginning in 1992 as a result of the world recession, but it is likely that beginning in 1994, after the NAFTA goes into effect, there will be a new impetus.

A Vast Market

The NAFTA creates a trade complex larger than that of the EEC. In addition, it is certain to expand with the probable enrollment of a number of Latin American countries, beginning with Chile.

The Ratification Problems

After some hesitation at the beginning of the electoral campaign, Bill Clinton has come out in support of the NAFTA. In mid-March, Washington and Mexico will begin negotiations with a view to establishing separate agreements for the protection of workers and the environment, as demanded by the democrats. Despite these changes, the battle in the Congress will be a harsh one. The AFL-CIO, the vast central trade union in the United States, has declared war on the NAFTA, accusing Mexico of "stealing jobs from the United States." But since he has a majority in the Congress, the President is likely to carry the day before the end of the year. In Canada as well, the treaty is unpopular, and for the same reasons. Prime Minister Brian Mulroney, the great champion of the treaty, is in serious danger of losing the election scheduled to be held before the month of October. However, Jean Chretien's Liberal Party, which has a good chance of winning power, has come out in favor of the treaty, but with some changes. Its ratification by Mexico seems assured.

El Salvador

Commentary on Repercussions of Truth Commission Report

PA1803005693 San Salvador Radio Cadena YSU in Spanish 1230 GMT 17 Mar 93

[Station commentary]

[Text] The United States is analyzing the scope of the Truth Commission report. The disclosures made by the Truth Commission on the atrocities committed during the past decade could have repercussions in the United States. Using the excuse of protecting El Salvador from communism, the United States disbursed military aid—without hardly any control—without assessing the events in El Salvador. On 16 March, State Department Spokesman Richard Boucher said that the administration is studying the report. Secretary of State Warren Christopher has already issued instructions for a careful study and analysis of the report's implications on the Salvadoran peace process and in the United States. This would be the first time that the U.S. Government admits that the report could have any implications on the United States, which spent over $6 billion to train and equip the Armed Forces during the 12-year war.

The role of the United States is questioned by the Truth Commission in the murder cases of the six Jesuits and two women, as well as for having housed people in Miami who prepared and financed terrorist actions. In El Salvador, the role of the United States was always questioned for having trained battalions, which are now accused of abuse of authority, in cruel methods. In this regard, the news dispatches from Washington consider that the report is very delicate, and the Democratic administration appears concerned with what happened, particularly with the human rights issue. Aside from the internal controversy, the Truth Commission report has already crossed the border. In other words, the Salvadorans are not the only ones guilty of that dark past.

Church Urges All Sides To Act With 'Serenity'

PA1803005093 San Salvador Radio Cadena YSU in Spanish 1800 GMT 17 Mar 93

[Text] Monsignor Gregorio Rosa y Chavez—commenting for the first time on behalf of the Catholic Church since the Truth Commission report was made public—urged all of the national sectors to act with serenity. Gregorio Rosa y Chavez said the report has confirmed facts already known to the church. Nevertheless, currently it is necessary to act with serenity in order to make definite progress in the achievement of peace, through pardons for all those involved. Here is what Msgr. Rosa y Chavez said:

[Begin Rosa y Chavez recording] Therefore, I believe that we must act with moderation because this will benefit all. This also goes for those who are insisting on an immediate amnesty. It will be good for all the sectors to act calmly. One must argue with objectivity and not with biased motivations, but above all, one must look toward the future. We must construct this future on solid foundations. Therefore, I would suggest that the road to take is to act with serenity, responsibility, and with a great sense of patriotism. [end recording]

Likewise, the religious leader noted that a hasty amnesty would not truly support the reconciliation efforts being undertaken in the nation.

[Begin Rosa y Chavez recording] We are currently dealing with the nation's well-being. From any serious point of view, one cannot arrive at the conclusion that a hasty and premature legislative decree would make the best use of the Truth Commission report. We will speak more extensively on this matter on 21 March, nevertheless, from the start we must make our position known. [end recording]

The Catholic Church believes that pardons for those accused in the Truth Commission report is possible, but this must be done in due time. In the opinion of Msgr. Rosa y Chavez, a hasty decision would only complicate the development of the peace and reconciliation process taking place in El Salvador under the current circumstances.

Supreme Court President To Obey Constitution, Bylaws

PA1803014693 San Salvador Radio Farabundo Marti Network in Spanish 1800 GMT 17 Mar 93

[Text] In a speech at the opening of a judicial center in San Luis Talpa, Mauricio Gutierrez Castro, president of the Supreme Court of Justice, said the Judicial Branch must obey the Constitution and bylaws only and not any other powers, such as the Executive Branch, the Legislative Branch, or the Truth Commission. Gutierrez referred to the Commission's recommendation to remove the entire Salvadoran Supreme Court of Justice.

[Begin Gutierrez recording] We have acknowledged the merits of many suggestions, regardless of their nature. We have thanked Onusal [UN Observers Group in El Salvador] for its work in favor of peace in El Salvador. But we want to tell the country and the world that we are bound only to the Constitution and bylaws. We will obey no one else [applause], including the Executive, with due respect, the Legislative Branch, whose laws we must obey, and any commission. Our duty is to strictly obey the law. We know that in the course of enforcing the law, actions are sometimes taken that harm other people's positions, ideologies, or approaches. We, the judges, are not free men. We have free consciences, but we are prisoners of the Constitution and bylaws. This is our duty [applause] and this is the duty we will do no matter which forces, either local or international, attempt to bind us [applause]. My hands, feet, and mouth could be bound, but my conscience, and I am sure that of any of the members of the Judicial Branch, will never be bound. Gentlemen, we must keep doing our job. I am hereby again inviting judges to do their job with impartiality, justice, fairness, but particularly with love for our fellow men.

I have said many times that human rights can be studied and read about, but they are truly practiced when they are experienced. A lowly man will understand human rights better when he practices and experiences through them instead of studying them. When the people feel that in this building, where justice is administered, he is entitled to come and be attended to without discrimination, that the military man and the guerrilla are received equally, as will the rich and the poor alike, the members of Arena [Nationalist Republican Alliance] or the Communist Party, and even Belisario Betancur, then the value of equality will be truly represented. [applause] This value of fairness and justice is not just talk but is proven to the people. For this reason, I feel particularly happy and more optimistic than ever that the administration of justice in El Salvador is moving forward with your effort and the help of international institutions, whenever they act unselfishly and in good faith. With academic assistance, we are step by step creating a study that, God permitting, we will conclude on 30 June 1994. [end recording]

Democratic Convergence Urges Resignation of Supreme Court

PA1703165193 San Salvador Canal Doce Television in Spanish 0300 GMT 17 Mar 93

[Text] The Democratic Convergence on 16 March issued a four-point proposal asking the political parties to request jointly the resignation of all the Supreme Court justices. It also called for in-depth reforms of the country's judicial system.

This proposal will be submitted for consideration by the political organizations, especially those represented in the Legislative Assembly.

[Begin unidentified speaker recording] 1. Agree and approve by consensus the terms of a new amnesty law.
2. That all the political parties request the resignation of the Supreme Court justices, adopt the commitment to elect a new court by consensus, and promote and approve judicial reforms within two months.
3. Commitment to request the removal from public office of all civilians and military members mentioned in the Truth Commission report. [end recording]

The Democratic Convergence also proposed that a fund be created to pay reparations to victims and that the Executive Branch publicly ask forgiveness from those affected. It stated that it is essential that the judicial system be reorganized, beginning with the removal of the entire Supreme Court.

[Begin unidentified speaker recording] We believe that the patriotic thing on their part would be to follow the example of the defense minister who, facing a delicate situation, opted to place his post at the disposal of the president of the Republic. I think the time has come for some civilians to follow the example of military officers. If the report recommends that they should resign so that judicial reform can really be undertaken and there will be a real state of law, this is the least they should do. [end recording]

With this proposal, the Democratic Convergence coalition proposed the possibility of having the Legislative Assembly reform the Constitution and various laws to improve the administration of justice in the country. This proposal will be successful only if the other legislative factions support it.

FMLN Leader Villalobos Terms ERP as 'Naive'

PA1803030793 San Salvador Radio Farabundo Marti Network in Spanish 1800 GMT 17 Mar 93

[Text] On 17 March, Farabundo Marti National Liberation Front [FMLN] leader Joaquin Villalobos questioned the report issued by the Truth Commission. According to Villalobos, his organization, the People's Revolutionary Army [ERP], presented the case of the [killed] mayors to the Truth Commission.

The FMLN leader said that the fact that the commission has pointed only to the ERP has created skepticism. As Villalobos views it, his organization has been naive for releasing the information. He hinted that the other FMLN organizations did not act in the same manner.

Villalobos said that his organization will comply with the Truth Commission dispositions despite the fact, he said, that last minute political decisions affected the Truth Commission report.

According to Villalobos, the commission's report lambasted the ERP and made it appear as evil, a fact that he does not understand and that could have been promoted by interests he would not identify.

Christian Democrat Leader Explains Position on Amnesty

PA1703161093 San Salvador Canal Doce Television in Spanish 0300 GMT 17 Mar 93

[Text] Fidel Chavez Mena, secretary general of the Christian Democratic Party [PDC], said on 16 March that to approve an amnesty law, both the government and the Farabundo Marti National Liberation Front [FMLN] should explain how the Truth Commission's recommendations will be implemented.

PDC Secretary General Fidel Chavez Mena said the PDC does not oppose a general amnesty law for those named in the Truth Commission report. Nevertheless, he said the government and the FMLN must explain what procedures will be used to apply the Truth Commission's recommendations.

[Begin Chavez Mena recording] The agreements to create the Truth Commission are very clear. They expressly state that both the government and the FMLN must fulfill the Commission's recommendations. The government must state how it will fulfill them. [end recording]

Chavez Mena emphasized that the government must fulfill the commitment made in Chapultepec, Mexico, and explain the procedures to be used.

[Begin Chavez Mena recording] We think the ball is now in the government's court. The government must announce how it is going to fulfill the recommendations. It is as simple as that. It must explain to the parties how it will do it. Based on that explanation, we will see when the amnesty should be issued. We do not oppose it. There is a commitment and we will keep it. [end recording]

The amnesty issue is still being debated by politicians belonging to parties represented at the Legislative Assembly. While some say it is urgent that the amnesty be approved immediately, others are waiting to see how the two sides will comply with the Truth Commission's recommendations.

Guatemala

Attorney General Appeals Military Prosecutor Ruling

PA1803022293 Guatemala City PRENSA LIBRE in Spanish 17 Mar 93 p 6

[Text] On 16 March, it was reported in the courts that the Attorney General's Office is appealing the decision by the Military Prosecutor's Office to halt proceedings against three officers charged with drug trafficking, among whom is Lieutenant Colonel Carlos Rene Ochoa Ruiz.

The Military Prosecutor's Office ruled that there is insufficient evidence to continue the case against Colonels Carlos Rene Ochoa Ruiz, Hugo Leonel Perez Franco, and Jose Mario Flores Montes.

The Attorney General's Office disagrees and has appealed the decision, thus the ruling will have to be reviewed by the Fourth Court of Appeals, where the case was forwarded.

The U.S. Government, through its embassy in Guatemala, recently lodged a writ of amparo against a ruling by the 10th Court of Appeals, which upheld the decision to refuse extradition Ochoa Ruiz.

Army Admits Troop Incursion Into Mexico

PA1803125793 Guatemala City Teleonce Television in Spanish 0330 GMT 17 Mar 93

[Text] The Guatemalan Army has admitted that a group of soldiers entered Mexican territory and has reported that it will give a detailed explanation to the Mexican Government.

Defense Minister General Jose Garcia Samayoa said the incident was inflated by the way some persons and organizations have manipulated the situation.

Garcia Samayoa said that what happened is the product of a human error as a result of a mistaken land navigation reading by the commander of the military unit that entered Mexico.

The minister said he has called the commander to hear his report and decide whether or not it is appropriate to file charges. The minister said he was informed about the incident by the Quiche military zone commander. He said the report he will present to Mexican authorities through the Foreign Ministry will include air photographs and diagrams that make evident that the incursion took place in a thick forest area where it is difficult to establish the border location.

Foreign Minister Gonzalo Menendez Park [three-second break in transmission] presented by Mexico, because the Guatemalan border has been crossed by Mexican troops and Guatemala never filed a protest in those cases, the foreign minister said.

Honduras

Callejas Swears In Arbitration Commission Members

PA1703165293 Tegucigalpa Telesistema Hondureno Television Network in Spanish 0100 GMT 17 Mar 93

[Text] Honduran President Rafael Leonardo Callejas on 16 March swore in the members of the Arbitration Commission of the Department of National Investigations [DNI], which has been described as a historical decision made by the government. The commission is empowered to investigate the DNI. The suggestions presented by this commission will determine if the DNI will be under civilian or military power.

The appointment of the Arbitration Commission was recommended by the Ad Hoc Commission, which includes President Callejas, to halt the wave of violence prevailing in the country.

[Begin Callejas recording] The DNI Arbitration Commission has a tremendous opportunity to contribute to the improvement of national society. On behalf of the government of the republic and of the people I represent, I thank you very much for your participation. It is not easy to accept a position of such high responsibility. I know you are doing this because of you are very patriotic and willing to serve the fatherland. [end recording]

The Arbitration Commission that will begin work on 16 March is made up of Alfrede Landaverde, an engineer; Rodolfo Rosales Avella, a lawyer; and Lieutenant Colonel Heliodoro Zamora Bados. After the commission was sworn in, Lt. Col. Zamora Bados spoke to the media on the functions of this commission.

[Begin Zamora Bados recording] The Ad Hoc Commission's proposal is very clear, and it provides us with six or seven powers to work with. Other powers might be announced in the next few days. To answer your question, yes, we will comply with the commission's recommendations. [end recording]

Ad Hoc Commission Chairman Monsignor Oscar Andres Rodriguez said that the commission must be allowed sufficient time to present its conclusions. At the same time, he pointed out that the appointment of the Arbitration Commission does not mean the dismissal of the current DNI authorities.

[Begin Rodriguez recording] While the Arbitration Commission is doing its work, the other commissions... [pauses] the other authorities continue to work. In other words, the organization will continue to operate while the commission members are working. Later on, they will present their recommendations and this will lead to the reorganization. [end recording]

The appointment and operation of the Arbitration Commission is only the beginning of an investigation by civilians of the military. Its conclusions and recommendations may lead to decisions that could establish precedents in the relationship between civilians and the military.

Callejas on Proposals for DIN

PA1603034393 Tegucigalpa Voz de Honduras Network in Spanish 1743 GMT 15 Mar 93

[News conference by President Rafael Leonardo Callejas with domestic reporters at the Government Palace in Tegucigalpa—live]

[Excerpts] [Callejas] Good morning, representatives of the media. It is a pleasure to be in the country after carrying out an official visit to the Republic of Chile. I would first like to state that, upon my return to the country, I held a meeting to learn about the proposal presented by the high-level Ad Hoc Commission to implement institutional reforms to guarantee safety and social peace in Honduras and the appointment of an arbitration commission for the Department of National Investigation, DIN. The Ad Hoc Commission has requested the immediate appointment of an arbitration commission for the DIN. The commission will be made up of two civilian officials, who can be freely appointed and removed by the president of the Republic, and an officer appointed in the manner stipulated by the Armed Forces Organization Law. They will act as arbitrators.

I have appointed the arbitration commission as follows: Dr. Rodolfo Rosales Abella, Engineer Alfredo Landaverde, and Police Lieutenant Colonel Heliodoro Zamora Bados. I have also requested that the Mexican Attorney General's Office assist the arbitration commission. The office will be represented by Mr. Ignacio Duran Gonzalez, who has served in the Mexican Attorney General's Office for 16 years and is a specialist in criminal law and police management.

This official was suggested by Jorge Carpizo, current attorney general of Mexico, former chairman of the Mexican human rights commission, and former rector of the National Autonomous University of Honduras. I asked Mexican President Carlos Salinas to provide this assistance, and he answered that Duran Gonzalez is the most qualified person to assist the DIN arbitration commission concerning criminal law and police management.

In addition, Chilean President Patricio Aylwin confirmed he is willing to send the assistant secretary of the Chilean carabineros. We have also confirmed the assistance of a Spanish Civil Guard specialist in criminal law and police management. The commission will be sworn in at 1400 on March 16 and will immediately start its activities. [passage omitted]

[Valeriano] Francisco Valeriano, of Voz de Honduras. Mr. President, the Armed Forces, through a communique, have practically given the Executive Branch responsibility for the DIN. What decision will you make in the next few days, before the Ad Hoc Commission delivers its report, regarding the structure of the DIN? Will the DIN be restructured? Will there be appointments made to direct the DIN? In general terms, what immediate decisions will be made regarding the DIN?

[Callejas] I have already reported on this. At the request of the Ad Hoc Commission, I have appointed three distinguished Honduran citizens to implement the work requested by that commission. These people will have a series of tasks, which I have already made public. The persons I have appointed to this intervening commission are lawyer Rodolfo Rosales Abella, Engineer Alfredo Landaverde, and Police Lt. Col. Heliordoro Zamora Bados. The Ad Hoc Commission had 30 days to decide on the best options for the DIN.

[Armando Raynaud] Armando Raynaud, from "The Daily" newscast. Some people were saying the decision to transfer the DIN to civilian control is seen as a strategy by the Armed Forces to free themselves of a great problem. Following this line of reasoning, people argue the whole police force should be turned over to civilian control, even though only the DIN is contemplated in the project.

[Callejas] When we decided to reach an agreement with the various Honduran sectors, we met with Carlos Roberto Reina of the Liberal Party of Honduras, Oswaldo Ramos Soto of the National Party of Honduras, Olan Valladares of the Social Democratic Innovation and Unity Party, and Herson Tabora of the Honduran Christian Democratic Party. The media were represented by Jose Rafael Ferrari, chairman of EL HERALDO newspaper; Jaime Rosenthal Oliva of TIEMPO newspaper; Carlos Flores Facusse and (Jorge Ganahuate), Armed Forces representatives; and Miguel Andonie Fernandez.

The Armed Forces representatives and I agreed the commission's first responsibility would be the DIN. Nothing else has been agreed. This is what was stated and the Ad Hoc Commission emerges from that great national agreement and this is what the government is going to carry out. We agreed to form an ad hoc commission to implement the institutional reforms that would guarantee the country's security and social peace. This commission was instructed to present, within a 30-day period, alternatives to the DIN. I am waiting for their findings. I believe it would be untimely if we begin requesting other things before hearing the Ad Hoc Commission report. Everything must follow a logical sequence of events, as agreed with the Ad Hoc Commission.

[Navarro] Mr. President, the Senior Council of the Armed Forces [Cosuffaa] unilaterally decided to request from Congress that DIN be separated from the military structure. Apparently this contradicts your decision. Will the government disregard this Cosuffaa request or will Congress disregard it if it is presented to Congress?

[Callejas] There is no contradiction. Both the Ad Hoc Commission and I view this Cosuffaa decision as support for proposals by Luis Alonso Discua, Cosuffaa commander in chief. We feel Cosuffaa has given a positive answer to his request that DIN be placed at the disposal of the president of the Republic and commander of the Armed Forces. There is no contradiction. It is the opposite: This is a very positive position of the Armed Forces on this issue. I think it has been expressed at a timely moment. I feel that some people have tried to see this decision in a different light. The actions I will be adopting with the Ad Hoc Commission are very clear. We will adopt suitable decisions as soon as the Ad Hoc Commission presents its suggestions. If the Ad Hoc Commission considers this issue, we will do so too. If it decides that this is not the correct path, we will also consider that recommendation.

[Unidentified reporter, broadcast in progress] ...honest to reform military laws?

[Callejas] This is part of a process. I think the media should not try to have the government and the Ad Hoc Commission give answers we do not have at this moment. The commission could recommend that road, but at this point I would say the commission should be given the opportunity to make its recommendations. I repeat: Let us wait for the Ad Hoc Commission to make its recommendations. These recommendations could envisage legislative actions. Remember there can be legislative action on the Armed Forces and that we are also talking about the Attorney General's Office and the Supreme Court of Justice. This is a complex system that is aimed at giving security to the people and to property. This is why I am saying: Let us wait for the commission's recommendations so the government can serve better.

[Unidentified reporter] When will the arbitration commission made up of Alfredo Landaverde, Rodolfo Rosales, and Heliodoro Zamora, issue a report? Why is the entire Armed institution not being investigated, as it is the source of the conflict?

[Callejas] The arbitration commission will exist only until the government adopts a decision and gives a definite solution to DIN after studying the recommendations of the high-level Ad Hoc Commission.

[Unidentified reporter] Mr. President, if it is found that DIN officers and agents are responsible for human rights violations, will they be put at the disposal of civilian courts of justice? Attorney [name indistinct] has said the military does not want to be tried by civilian courts.

[Callejas] We have discussed this issue so often, so many times....[pauses] the Armed Forces have made a request. The Executive Branch and the deputies are aware of this. There is a constitutional article establishing that when the military commits a crime in the framework of civilian society, they must be put at the disposal of civilian courts; when their actions involve the military or the Armed Forces, they must be put at the disposal of military courts. All of Honduras clearly understand this.

This is established in Article 90 and 91 of the Constitution. A request has been made for more clarity. We expect Congress to perform appropriately and to clearly establish the legal prerogatives granted to the military and those granted to the civilians. There is no doubt about this. The Ad Hoc Commission has established the following: DIN agents accused of committing crimes against people or against property must be immediately be put at the disposal of criminal courts, if there is acceptable evidence against them. [passage omitted]

Nicaragua

Search for Bomb Allegedly Placed in National Palace

PA1703173093 Panama City ACAN in Spanish 1700 GMT 17 May 93

[Text] Managua, 17 Mar (ACAN - EFE)—The Nicaraguan Police on 17 March ordered an evacuation of the National Palace, where government administrative offices are located, due to a report that a powerful bomb had been placed inside.

A Police officer briefly told the media that a special brigade "was dispatched" quickly to the building, which is located 300 meters from the Presidential Palace in Managua' northern area, to check for bombs. After National Palace security personnel alerted the police, the employees were evacuated and bomb experts began to search for the bomb. Police have not yet reported on the results of the search. The National Palace headquarters, a two-story building, houses the Comptroller General's Office, the National Revenues Office, and other public agencies. There is a constant flow of people in and out of the buildings.

Police Officer Comments on Bomb Scare

PA1703195393 Managua Radio Sandino in Spanish 1800 GMT 17 Mar 93

[Text] An unidentified call on the morning of 17 March alerted security guards at the Palace of the Revolution or

National Palace to a bomb that had been placed inside the Comptroller General's Office. At 1030 National Police security forces entered the building and evacuated the employees and a large number of citizens who were paying their taxes. The security guards used dogs, Red Cross units, and firemen to face any situation that might arise.

From the inside the building, Security Chief Leonel Gonzalez said there would be no reports because the police were investigating. He said he had received an anonymous call. After a two-hour check of the building, police spokesman Sergio Caceres said it was a routine investigation and that the bomb scare had been a false alarm. Here are their statements:

[Begin recording] [Caceres, in progress] ...we used the dogs. Later...

[Unidentified reporter, interrupting] How was that? How did they find out?

[Caceres] I am not giving any information. Nobody is going to enter the building. The police are going to do their job. We alone are going to be here, to prevent the police from having any problems and to allow them to do their job.

[Reporter] How did you find out about the bomb or alleged bomb?

[Caceres] I do not want to give you any information.

[Reporter] Who called the police?

[Caceres] I am responsible for internal security. For that reason, I don't want to create any more alarm.

[Reporter] Who called the police?

[Caceres] If we knew who it was, we would be talking to them. They did not call directly to advise about a bomb. They called the national police.

[Reporter] Who alerted you to the bomb?

[Caceres] There was a call.

[Reporter] [words indistinct] about a bomb. At what time did this happen?

[Caceres] At approximately 1200.

[Reporter] Why are you being so secretive?

[Caceres] [words indistinct] at the Government Ministry. It was a routine practice by the security guards.

[Reporter] So the telephone call was a false alarm?

[Caceres] There was no telephone call.

[Reporter] Why did they cause the people to run out hysterically? Is this a routine police procedure?

[Caceres] We do not know about that. Let me explain. It is a routine procedure for the special brigade. We have no knowledge of any call. I learned from Department Four that there were visitors at the comptroller's office. [words indistinct] it would be advisable to speak to the building security personnel.

[Reporter] [words indistinct] of the personnel.

[Caceres] I do not know anything more about the situation. This was routine practice by the brigade, which checked out the building with several objectives.

[Reporter] Why are you checking out the building?

[Caceres] It is a normal police procedure. Speak to the security guard, speak to the comptroller, speak to the security personnel. I am not making any statements. You are asking me questions and I am answering to be courteous. [end recording]

Bomb in National Palace Reportedly 'Hoax'

PA1803033893 Managua Radio Sandino in Spanish 0307 GMT 18 Mar 93

[Text] People working at the National Palace experienced great tension and anguish after it was reported a time bomb had been placed in one of the offices.

The report, which in the end turned out to be a hoax, was relayed over the telephone by an unidentified person, who said the charge would go off in 25 minutes. The police immediately contacted the Special Security Force, who arrived at the site with trained dogs. As a precaution the police evacuated all of the personnel and searched the building, but found nothing.

The Government Ministry reported the police are still in the building.

Police Bolster Security at Embassies in Managua

PA1803035993 Managua LA PRENSA in Spanish 16 Mar 93 p 12

[Report by Roberto Orozco H.]

[Text] On 16 March, the National Police reinforced the "Prevention Plan" it implemented on 15 March, in light of possible action by armed groups of extremists. These groups are trying to begin operations in the capital city in support of the "Yolaina Command," which continues to occupy the Nicaraguan Embassy in Costa Rica.

The police, due to what they view as the failure of the "Yolaina Command" operation led by Jose Manuel Urbina Lara, fear that attacks may take place against strategic locations throughout the city.

In view of the danger, high-ranking authorities have decided to reinforce the security personnel posted at the embassies located in our country, as well as the personnel assigned to ministries and certain important figures.

A small group called the "Blue and White Commandos," comprised of three armed men, stormed the studios of

Radio Mundial to air a political statement supporting the terrorist "Yolaina" group, which is holding Ambassador Alfonso Robelo along with 15 other hostages.

After broadcasting their political statement, the members of the "Blue and White Commandos" were captured by the National Police.

The commandos are Gerardo Sanchez Martinez, Jose de la Cruz Usaga Urbina, and Manuel Salvador Lopez Morraz, and are now facing charges of illegally possessing firearms, disturbing the peace, and breaking and entering.

The Patriotic Opposition Union Forces (FUPO) claimed responsibility for the action in a communique issued recently.

The FUPO has been defined as the urban guerrilla force of the Democratic Forces for National Salvation (FDSN), which operates in the country's northern mountain region.

The current police operation is focusing its main efforts on the diplomatic seats. However, protection has also been increased at the president's residence, the National Assembly, banks, the National Palace, and certain historic sites, among other places.

Although Chief of Police Commander Fernando Caldera is in Costa Rica with two other high ranking police officials, police officials hold periodic meetings with members of the Sandinist People's Army (EPS) to "take steps" in light of possible action by rebel groups.

Unofficial reports said that the police are carrying out a "preventive operation," but if the FUPO should start some sort of military action, the EPS would deploy its forces.

Government Lists Conditions To Begin Negotiations

PA1803004993 Managua Radio Nicaragua Network in Spanish 2305 GMT 17 Mar 93

[Statement issued by the Foreign Ministry in Managua—live]

[Text] The following are the conditions of the Nicaraguan Government to hold the first meeting with the kidnappers at the Nicaraguan Embassy. The Nicaraguan Government delegation, made up of Government Minister Alfredo Mendieta and Deputy Foreign Minister Jose Bernard Pallais, hereby disclose the following conditions for their first meeting with kidnapper Jose Manuel Urbina Lara:

1. The Nicaraguan delegates will enter the Nicaraguan Embassy in the company of His Eminence Cardinal Miguel Obando Bravo, two prominent Costa Rican figures, and the chief of the Costa Rican Civil Guard.
2. Cardinal Miguel Obando y Bravo, his assistant, and the chief of the Costa Rican Civil Guard will enter first and review and approve the negotiating room.
3. The kidnappers will place all their weapons, grenades, explosives, and flammable material in a separate room. Such articles will remain in the custody of the chief of the Costa Rican Civil Guard and Cardinal Obando's assistant.
4. When the mediator confirms compliance with the above, the Nicaraguan delegates will enter accompanied by the Costa Rican figures, who will serve as witnesses.
5. The Nicaraguan delegates, Cardinal Obando y Bravo, and Mr. Urbina Lara will participate in the meeting.
6. The witnesses will remain with the hostages and their other captors.
7. At the end of the meeting, a similar procedure used to enter the building, will be used to exit the embassy. The Nicaraguan delegates will leave first.
8. In accordance with the original proposal presented by Mr. Urbina, a second meeting, if deemed necessary, will be held at the San Jose Arch Bishopric, for which conditions will be established.
9. Upon concluding the meeting, in a show of good faith, the kidnapper will release the following hostages, who are seriously ill: (Alvaro Siero), (Juan Manuel Tercero Narbaez), and (Lloyd Stanhaussen Macfiet).
10. All those who enter the Nicaraguan Embassy will be unarmed.
11. In accordance with the Nicaraguan Government's position, the delegates will not negotiate any of the political demands presented, as they threaten the state of law and the democratic principles that rule the Nicaraguan Government.

* Impact of Ibarra Case on Political Situation

93CA0069E Managua BARRICADA in Spanish 6 Feb 93 p 11

[Commentary by Oscar Rene Vargas]

[Text] Since the last week of January 1993 the three national newspapers have been competing with each in their coverage of the possible extradition of Antonio Ibarra Rojas, the former deputy minister of the presidency. Likewise, every radio station has turned this case into the lead item in its newscasts. I would like to analyze the political significance of the Ibarra affair in Nicaraguan society.

a) In an exclusive story BARRICADA revealed where Ibarra lives and works. EL NUEVO DIARIO got a Nicaraguan newswoman who resides in Bolivia to do an exclusive interview with him in the city of Cochabamba. LA PRENSA struck last, publishing a second interview with Ibarra in which he launched his new attack on Lacayo.

b) Antonio Ibarra declared first that the Nicaraguan Government's accusation had been promoted by Alfredo Cesar and Guillermo Potoy, both members of the rightist political faction that is at odds with President Chamorro.

Ibarra argued that the corruption charges against him were promoted by Potoy in response to his having helped set up the "centrist" legislative group.

c) On 3 February 1993, however, Ibarra changed his tune, contending that Antonio Lacayo is mainly to blame for corruption in Mrs. Chamorro's government, including his involvement with the Army and the Navy in a drug-trafficking deal.

Helping the Right

On the basis of these facts I have the following comments to make:

1. The seventh nationwide public opinion poll that CID/Gallup conducted between 23 November and 2 December 1992 reveals the following:

—i) Sixty-one percent of the population said that it does not belong to or support any political party or coalition. The FSLN [Sandinist National Liberation Front] remains the country's leading party, although it is down three points. The UNO [National Opposition Union] coalition declined 13 points in 1992. This means that the great majority of the population does not identify with any party, thus reflecting the depoliticization that Nicaraguan society is undergoing.

—ii) The approval index of Mrs. Violeta Chamorro's performance in office declined 18 points in 1992, falling into the negative area for the first time. The increase in the social debt and the further impoverishment of the population are starting to diminish the president's popularity.

—iii) All 10 of the country's main political figures are now viewed more unfavorably, with the exception of Arnoldo Aleman, whose popularity rose 12 points in 1992.

—iv) Only four of the 10 leading political figures are viewed more favorably than unfavorably: Violeta Chamorro (by 15 percent), Arnoldo Aleman (by 18 percent), Sergio Ramirez (by 10 percent), and Antonio Lacayo (1 percent).

2. The focal points of the political campaign of the right and far right in Nicaragua remain the ouster of Antonio Lacayo, the replacement of the current military by one that is its opposite, and early general elections to replace President Chamorro and reduce the Sandinists' political presence.

Aleman Weathers the Storm

3. In spite of the tactical alliance among the various groups on the far right, they are vying with each other to ascertain which of the presidential hopefuls is in the best position to head the political program that will guarantee a return to the past.

4. Antonio Ibarra's statements point in the same direction. Why?

—i) In saying that Alfredo Cesar is among those responsible for his possible extradition, Ibarra seeks to diminish Cesar's credibility within the coalition of the Nicaraguan right. He is thus reducing his chances to head the coalition, which means that he is backing Arnoldo Aleman (both were active in the Liberal Student Front, a Somozist group, in the 1960's), inasmuch as Virgilio Godoy has lost political ground since 1991.

—ii) Owing to a fortunate coincidence, Aleman is being helped by the Ibarra affair. The charges of corruption against the mayor's administration, which could erode his popularity, have faded into the background. Concurrently, LA PRENSA is promoting a positive image of Mayor Aleman's administration, while at the same time the charges against Antonio Lacayo, the military, and President Chamorro are in the limelight. The "subliminal" message is favorable to Aleman and unfavorable to the others. The alliance between Aleman and the assistant editor of LA PRENSA was sealed at a dinner that the mayor gave at his home for the president's eldest son.

—iii) It would seem that a faction of LA PRENSA's editorial staff, which had already chosen to back the extreme right's plan, has decided to support Arnoldo Aleman in the competition within the right.

Where does the political ruse lie? One source told BARRICADA, which is linked to Sandinism, of Antonio Ibarra's whereabouts. BARRICADA turned the story about Ibarra into the country's leading news item and pressured the government into hastening the request to extradite him. No one can accuse the right of uncovering this scandal. Ibarra began by attacking Alfredo Cesar, and all of the print, radio, and television media joined the campaign for his extradition. To show its administrative honesty and to counter Potoy's charges, the government took up the torch again and requested extradition. Ibarra, visited by spokesmen from the embassy of the country of which he is currently a citizen, shifted his attack and aimed his guns at a new target: the Chamorro government, its minister of the presidency, and the military, the focal points of the far right's campaign in Nicaragua.

Possible Consequences

The campaign that BARRICADA began and that the government has continued could boomerang and hurt the government's international credibility, while the extreme right emerges unscathed at the very time that Arnoldo Aleman and Alfredo Cesar are being accused of mismanaging tax revenues.

Antonio Ibarra's remarks are hurting the government internationally and, here at home, are furthering the tendency to see Mrs. Chamorro's performance in office in a negative light.

In addition, they are helping Arnoldo Aleman because he is taking advantage of a situation in which LA PRENSA is enhancing his image as a politician and a good administrator, while the minister of the presidency and the president of the Republic are being accused of mismanagement.

Finally, they are hurting Sandinism by eroding the political authority of Antonio Lacayo. The right knows that by getting rid of Lacayo it can make possible a tactical alliance between Sandinism and the government and thus continue to further its own current political game plan.

* 'Somozists' Blamed for Attacks on Cooperatives

93CA0069D Managua BARRICADA in Spanish 6 Feb 93 p 11

[Commentary by Daniel Nunez Rodriguez]

[Text] Since 25 February 1990 more than 300 cooperative members affiliated with UNAG [National Union of Farmers and Cattlemen] have been murdered along the agricultural border from Jalapa to Nueva Guinea.

Twenty comrades were savagely slain in January and February of this year at the Yale, Pancasan, El Bijao, La Mula, El Castillo, Waslala, Rancho Grande, El Gamalote, and Rio Blanco cooperatives in the department of Matagalpa. This is a national tragedy that has brought about more helpless widows and orphans.

We know that the murders of our brothers are political crimes whose purpose is to undo the revolution's accomplishments in the agrarian reform, a Sandinist reform that Somozist landowners never accepted, just as we Sandinists will never forget the assassination of General Sandino.

As soon as the armed conflict began, our organization made every effort to prevent thousands of peasants, rightly or wrongly, from going to war, because history has shown that in wars between liberals and conservatives we peasants are the ones who die while the oligarchs appoint ministers. We provided the votes in the elections, and then they burdened us with taxes; they denied our right to health care and education; and obtaining a loan was impossible.

The Warmongers

The effort at national unity with the peasants is bearing its first fruit today, as thousands of peasant brothers who yesterday knew each other only from the blasts of their rifles are today working side by side with plows in Waslala, Rio Blanco, Wiwili, Pantasma, El Cua, Jalapa, La Guinea, Rio San Juan, Siuna, and Puerto Cabezas. They are convinced that the war is behind them and that the other war that has to be won is over poverty and disadvantaged conditions—long-standing epidemics among peasants.

Nonetheless, in spite of the major efforts, the same old politicians, the traffickers of poverty and war, have taken advantage of the people who still believe that war is the answer to their problems, and they have harassed peasants from the former Nicaraguan resistance, who had already demobilized, into taking up arms again. They have harassed them into killing cooperative members and FSLN [Sandinist National Liberation Front] activists, while here in Managua these politicians, going from embassy to embassy and making use of radio stations and newspapers that identify with their programs, denigrate the government in a bid to halt international aid. Their aim is to bleed the people dry economically and set the stage for a new civil war, while they pack their bags and return to Miami.

Every time a shot rings out in the highlands, another cooperative member or Sandinist activist dies. For them there are no human rights or homilies or weeping and gnashing of teeth, simply because individuals named Perez, Hernandez, and Lopez are not well-born like the vengeful right.

What would Favio Gadea Mantilla say in his "letters to Nicaragua," or what would the right-wingers (those sanctimonious hypocrites) say in their editorials about children murdered in Cafen and Gamalote? Who has recounted the most recent raid on the Yale cooperative, where our cooperative-member brothers Eulogio Perez, Calixto Perez, Santos Gonzalez, and Pedro Hernandez were forced to dig their own graves and then were tortured and shot?

Shrine of the Slaughtered

This cooperative ought to be a shrine to the martyrdom of our peasant farmers. In that same place they killed Bernardino Diaz Ochoa, and in 1985, in the thick of the war, I and other comrades had to go and bury 20 slain cooperative members and to tend to another 22 who had been wounded. Yet the accomplices to the murders of Bernardino Diaz Ochoa, the 20 cooperative members, and these latest four brothers walk and drive calmly through the streets of Matagalpa and even attend mass.

Over the past two years they have looted and burned more than 20 peasant stores. The most recent one was La Wasaca where, during their raid on Yale, they looted and burned all of the farming and livestock items. The more than 300 members of this cooperative from the region of Bijao, Yale, and Wasaca lost more than $80,000. As far as the right is concerned, this is not terrorism nor is the cooperative movement private enterprise, because to be a private businessman you have to join COSEP [Higher Council of Private Enterprise] and in order for the children martyred on our cooperatives to be mentioned in their editorials they must be highborn, because we and they are menials.

We are in favor of peace and we are working for it with all our strength. We Sandinist members of UNAG are producers and businesspeople who respect the ideology of our affiliates, among whom are Sandinists, conservatives, liberals, etc. From the pages of this paper we wish to tell the national and international community how we have been continually assaulted by the right, the vengeful dinosaurs that are being born again from the rotten roots of Somozism.

* Sandinist Attacks Against Aleman Explained

93CA0069C Managua LA PRENSA in Spanish 4 Feb 93 p 10

[Commentary by Pedro J. Chamorro Jr.]

[Text] The mayor of Managua, Dr. Arnoldo Aleman, has announced that he is going to build a huge shrine on Motastepe Hill and atop it place a 26-meter high (like a nine-story building), 12-meter wide statue of the Virgin of Murillo, which will protect the city's cardinal points with her mantle.

The cost of the monument is estimated at some $500,000 and will be financed largely with a donation from Spain that the mayor secured during a visit to the city of Valencia.

The project will also be financed through private donations. City hall will invest taxpayer money only on improvements to access roads, on earthwork, which has already begun, and on the construction of three lookout sites.

Cardinal Obando will lay the first stone in this huge engineering project of the Christian faith coming 19 February during a mass that he will say at the summit of Motastepe.

We know that the project will be completed because the mayor's office keeps its word. We know that behind this project lies a dynamo of energy, and that it will not be like so many projects that never get off the drawing board.

Ironically, the Virgin will be located in the same spot where 12 years ago the Sandinists decided to erect, using municipal funds, the four huge letters FSLN [Sandinist National Liberation Front], which over time became three, FIN; ultimately (forgive the redundancy) even these three were worn away. Thousands of cordobas were expended on a useless piece of propaganda that may not have won over a single follower and that literally was "gone with the wind."

The persistent campaign that the Sandinist mass media are orchestrating against Mayor Aleman stems precisely from the people who believe in the four letters that are gone with wind. These same people who did nothing for Managua are now envious.

They are right to be envious, because their failure has been made evident by the hundreds of streets that are now paved, by the many playgrounds that have been built for our children, by the minidams that have prevented the flooding that used to hit our city every winter, and by each new work of progress that city hall constructs.

People still remember what it was like. It would be better if they did nothing, think those who still do and did nothing and, of course, these same people do not want to let others do anything.

It would be even better to have a new mayor, they must be thinking. After all, we now have a new comptroller and a new assembly; we should go looking for a "centrist" group among the councilmen to checkmate Arnoldo, the strategists must be saying. The worst part of all this is not that people remember what we did but will remember him better at the next election.

This is the big problem: having a foe who is winning over people every day, not with speeches (which we are tired of) but with deeds. Aleman does not seem to be too worried about the systematic attacks that the Sandinist media are leveling at him in a fruitless attempt to discredit his performance (a way of setting the stage for a new coup). He replies simply with a quote from the Bible: "By their fruits you shall know them."

This is a simple but crushing argument. The residents of Ciudad Sandino can bear witness to the wisdom of this quote, as the city hall there has paved a great many streets that used to be dust bowls. Thousands of residents of Managua neighborhoods no doubt have the impression that finally someone has remembered them. For 10 years, thousands of fiery speeches filled with love for the proletariat did not pave a single street.

The Christ of the Corcovado in Rio de Janiero and the Virgin of the Immaculate Conception of Murillo in Managua, looming stately on the Motastepe, her eyes cast heavenward, not toward earth, where worldly differences make us Nicaraguans look smaller and smaller.

Perhaps we can reflect from up there, look down, and see how petty our political feuds are as they diminish us in the world's eyes and prevent us from growing.

Perhaps we can grow. We will finally have a new cathedral, another of the impossible missions performed by men who set great goals for themselves, like Cardinal Obando, and erect lasting projects that can be admired by future generations, who will surely say: "By their fruits you shall know them."

* Radio Corporacion Accused of 'Fabrication'

93CA0069B Managua EL NUEVO DIARIO in Spanish 4 Feb 93 p 4

[Editorial: "Corporacion Fans the Flames"]

[Text] It is reasonable to wonder what sort of gray matter the people who run Radio Corporacion possess.

As in the tales of witches that entertain children, we can all imagine one of those hags who fly on broomsticks and keep a huge cauldron of boiling water into which they toss scorpion tails, owl eyes, snakes, mandrake leaves, and all sorts of weeds, brewing up a deadly concoction to be given to the population, in this case Little Red Riding Hood.

Oddly enough, this concoction is nourishment to those who sit in front of the microphones, and what is heard on the air is rotten and infected, sweet food for the fiends of war who dance ceaselessly at that sinister witches' sabbath.

This explains why the lie about the reactivation of military service is being repeated. At bottom, this is nothing more than a veiled attempt to drive the peasants into the arms of those who have taken up weapons again so that they will once more brandish fratricidal rifles for the direct benefit of the revanchists.

They speak out against military service but, in practice, they promote it for the sake of those people who are unpacking all sorts of military equipment to be used against the government and against anyone who talks about peace and reconciliation.

They are throwing gasoline on the smoking embers of the recent confrontation.

This is a brazen game they are playing, because, on the one hand, they talk about the need to abolish the EPS [Sandinist People's Army] and, on the other, work slyly to swell the ranks of those who are sowing terror in the northern highlands.

They want a fight between a tethered donkey and a jaguar.

Their campaign is unlikely to catch on with the overwhelming majority of people in the city, but they are counting on the isolated and misinformed peasant masses, whom they are sure they can continue to deceive and manipulate. Moreover, like good apprentices they are following the strategy that the Nazis used more than 50 years ago when they said that "a lie leaves something behind." This is why they lie and slander tirelessly.

Our people still have much to learn before finding out what they are really like.

* Commentary Praises Cornap-CST Agreement

93CA0069A Managua BARRICADA in Spanish 3 Feb 93 p 11

[Editorial: "Democratization of Property"]

[Text] Several cabinet ministers and leaders of the Sandinist Workers Federation (CST) signed an agreement early yesterday morning recognizing workers' rights in the privatization of the industrial enterprises run by Cornap [National Corporation of the Public Sector]. The signing marks the conclusion of a second crucial phase in the democratization of ownership.

The first ended more than a year ago when 34 agricultural enterprises (coffee, livestock, cotton, sugar, rice, tobacco, and bananas) covering more than 140,000 manzanas [one manzana is about 1.75 acres] became the property of 17,000 workers belonging to the Association of Agricultural Workers. Another package of more or less the same size was transferred to individuals who had been discharged from the military and to former members of the resistance.

Many legal, financial, and administrative stumbling blocks must still be overcome in both sectors, industry and agriculture, before these enterprises can take off economically. The important thing is that the battle that the National Workers Front (FNT) has fought for almost three years is enabling the unions, which used to jointly manage the People's Ownership Sector, to lay the groundwork for the emergence of a new ownership sector, the Workers Ownership Sector (APT), comprising tens of thousands of joint shareholders.

The workers and the government now have a shared responsibility to make this process irreversible. In the face of the complex challenge involved in demonstrating the economic viability of this new model of ownership, the government cannot turn its back on the new owners; instead, it must support them with effective promotional policies.

In the case of the industrial sector, in which the workers have taken ownership of 30 percent of total state assets, the problems that they are inheriting are enormous. Most of these enterprises are technologically backward and have few competitive advantages under the free-trade policy now in fashion. The country badly needs an industrial conversion that will encourage joint ventures with suitable incentives for domestic and foreign capital. And the state cannot decline to play a guiding, policy-making role in this field.

The outcome of the negotiations between Cornap and the CST will surely not please everyone, especially the sectors of the worker rank and file whose expectations about certain private enterprises could not be met for the sake of the overall proposal.

The government was also forced to give something to the unions, as it acknowledged its obligation to establish their rights first before proceeding with the complex plan to return property to and compensate other claimants, including some affected by Decree 38.

Attorneys are wont to say that "a good compromise is always better than a bad lawsuit." In this instance both parties showed flexibility and political determination, and all of us Nicaraguans who want to make production and stability priorities on the national agenda wound up winners.

Panama

Modesco Demonstrators Clash With Police in Colon

PA1503200893 Panama City Telemetro Television Network in Spanish 1730 GMT 15 Mar 93

[Report by Valerio Abrego—live]

[Text] As previously announced, Movement of the Colon Province Unemployed [Modesco] demonstrators began a march at about 0900 on 15 March through Colon. The demonstrators marched peacefully through the city's main streets and later went to the Governor's Office where they held angry talks with Governor Isaura Rosas. The demonstrators said the governor did not formally receive them, so they were forced to go to 16th Street and block traffic for 30 minutes. The group then went back to demonstrate in front of the Governor's Office.

Several clashes between demonstrators and police have been reported. The Public Force had to use tear gas against the demonstrators when people in nearby buildings caused chaos by throwing rocks at police and people in the area.

So far no one from Modesco has been arrested. The situation, however, is very tense in Colon, particularly near the Governor's Office. The Public Force remains alert to possible clashes with Modesco members.

Leaders of that organization said they are requesting permanent jobs for the 2,100 Modesco members as of 31 March, when the Social Emergency Fund program ends.

They are opposed to scholarships for Modesco members, claiming that the measure is being taken to disband the association.

For the time being the situation in the area is tense with more demonstrations expected. The police remain alert.

Modesco, Police Clashes Continue

PA1803035893 Panama City Circuito RPC Television in Spanish 2300 GMT 17 Mar 93

[Text] Four persons were arrested and two were injured during a clash between Modesco [Movement of the Unemployed of Colon Province] demonstrators and the police in Colon.

Streets near San Jose Paulino Church, located on 10th Street and Central Avenue, have been partially blocked since 0700. Some of Modesco leaders, including Felipe Cabezas, were in Panama City to explain the reason for their actions in the past few days. There were disagreements among Modesco leaders, however. Some wanted to demonstrate in the streets and others wanted to hold a rally on the grounds of San Jose Paulino Church.

At 1330, a group of 25 men with a Panamanian flag marched to the Colon governor's building to assert Modesco's struggle in the streets. Later, some of the demonstrators threw objects at the governor's building. Riot police disbanded the demonstrators with tear gas bombs and bird shot. Four persons were arrested: Ildefonso Salcedo Coronado, 23; Victor Manuel Williamson, 18; a minor, who was injured; and Benito Mayors, who cut his right foot while trying to flee—he was caught at 11th Street and Central Avenue.

At approximately 1630, riot police threw tear gas grenades on the grounds of San Jose Paulino Church to dislodge the demonstrators. Two women were injured and taken to Manuel Amador Guerrero Hospital.

The governor of Colon said Modesco will not be permitted to stage disturbances or block streets.

Union Reveals Canal Commission Hiring Violations

PA1503231093 Panama City CRITICA LIBRE in Spanish 15 Mar 93 p 40

[Text] The Canal Commission Seamen's Employees Association (APOM) warned the National Assembly Canal Commission headed by Legislator Alonso Fernandez of violations in the hiring of Panamanians as stipulated in the Torrijos-Carter Treaty.

According to APOM members, the most common violations involve the stipulated increase in the number of Panamanians in the Panama Canal Commission [PCC], as there is no evidence Panamanians are being hired for management positions.

Article 10 of the Canal Treaty stipulates that the United States, in exercising its rights, will establish a personnel hiring requirements system. At the same time, there will be an employment preferential system for all Panamanian candidates who qualify for employment with the PCC.

On the other hand, Legislator Fernandez pointed out that the employment of Panamanians in the canal area is being violated, as there is no evidence that some middle management positions are being turned over to Panamanian personnel.

As a result of the anomalies presented by APOM, the Canal Affairs Commission has summoned Foreign Minister Julio Linares, member of the Panama Treaty Affairs Executive Directorate (DEPAT), as well as other Panama Canal Commission authorities, to the National Assembly on 18 March to explain the hiring practices violations reported by APOM.

Legislator Alonso Fernandez, president of the Canal Affairs Commission, headed the meeting in which APOM members reported the hiring practices violations.

Argentina

Anniversary of Israeli Embassy Bombing To Be Marked

PY1703162893 Buenos Aires TELAM in Spanish 0054 GMT 17 Mar 93

[Text] Buenos Aires, 16 Mar (TELAM)—The Interior Ministry has issued a communique stating that the attack perpetrated against the Israeli Embassy in Buenos Aires will be marked on 17 March. It reads that "this is an open case for the Argentine Government, which has promised firm cooperation on the part of the courts and security forces to clarify the incident and punish the perpetrators."

The communique states that the Interior Ministry "recalls and reaffirms the unanimous repudiation voiced by the people and the Argentine Government over this cruel attack that claimed the lives of many people."

Tomorrow [17 March] at 1830 President Carlos Menem will go to the former Israeli Embassy on Arroyo and Suipacha Streets, where he will recall and condemn the attack.

Menem will be welcomed by Israeli Ambassador Yitzhaq Aviran and Ruben Beraja, president of the Delegation of Argentine-Jewish Associations, DAIA. After the welcome ceremony the Argentine and Israeli anthems will be played and a list with the names of the victims will be read.

One minute of silence will be observed and historian Felix Luna and Beraja will make speeches. Trees will then be planted in the sidewalk in front of the building in memory of the victims and as a symbol for life.

President Menem and Shefi will, finally, deliver speeches.

The communique released today states that ever since the attack took place "the Argentine courts and security forces have been carrying out patient and continuous investigations to find the perpetrators of this insane action."

It adds that "security organizations from friendly countries have cooperated with these efforts. This assistance is of great importance, as the investigations are conducted with the firm conviction that the attack was masterminded by a foreign terrorist organization and fully or partially perpetrated by foreigners who clandestinely entered and left the country."

The results of the investigation have revealed that "the bomb was placed in a pickup track parked outside the embassy shortly before the explosion. The place where the vehicle was purchased and the false identification used by the purchaser have been determined and an identi-kit likeness was sketched."

The communique states that "this evidence is reinforcing the investigations, which are being conducted under strict secrecy conditions, as any premature release of information might jeopardize the success of the investigations. A cautious attitude must be observed to make feasible the investigations, and the public must be respected by providing them concrete results and not just speculation. Efforts are being made to meet these objectives."

The communique adds that "the attack on the Israeli Embassy is an open case for the Argentine Government, which has promised firm cooperation from the courts and security forces to clarify the incident and punish the perpetrators."

Interpol Division Said To Arrest IRA 'Terrorist'

PY1803010293 Buenos Aires LA PRENSA in Spanish 17 Mar 93 p 11

[Text] Interpol's Airport and Operations Division yesterday reportedly arrested an IRA terrorist who has been in the country since 1990.

After several months of intensive investigation, surveillance, and search, Interpol was able to locate the residence of IRA terrorist James Craig, whose criminal record consists of two murders. One of his victims was a detective he killed during an armed robbery in Northern Ireland and the other was a U.S. citizen in an apparent settling of accounts in the New York underworld.

Police managed to arrest Craig yesterday as he was leaving his hideout to come to the capital.

Craig, whom both FBI and Irish officials consider to be dangerous, was using several aliases to conceal his true identity. He is under arrest at the Central Police Department prior to his transfer to the United States.

Romanians Said Continuing To Show Up at Consulate

PY1703234593 Buenos Aires BUENOS AIRES HERALD in English 17 Mar 93 p 11

[Text] (DYN-NA)—Argentine Ambassador to Romania Eduardo Avalos said yesterday that citizens of that European nation continued to turn up in large crowds outside the doors of the consulate "amid scenes of nervousness" in an attempt to obtain the authorization to emigrate to this country.

Torres Avalos, who said that the Romanian citizens had broken down police barriers, told a local news agency in a telephone conversation from Bucharest that "they had granted 18,000 requests already and received another 3,500" in recent hours.

The ambassador said that "only at certain European embassies" has a similar situation arisen, but he added "that nowhere is it like in the Argentine diplomatic offices due to the expectations created."

The diplomat said that the first request from Romanian citizens wishing to live in Argentina were received following the announcement made by Foreign Minister Guido di Tella of the treatment European immigrants would get in Argentina.

The Argentine government published an ad two weeks ago clarifying di Tella's statements in Hungary during the meeting of Argentine Ambassadors to East European countries. Di Tella had told reporters in Hungary that Argentina was willing to allow Eastern Europeans wishing to emigrate into the country.

The ambassador said that each request was sent back to Argentina, where they were then analyzed "case by case."

He added that Argentine authorities "are negotiating with the European Community and international organizations on the way to finance the operations" because "of course these things must be paid for."

Justicialist Governors Sign Statement on Presidential Reelection

PY1703234293 Buenos Aires BUENOS AIRES HERALD in English 17 Mar 93 p 11

[Excerpt] (DYN-NA)—President Carlos Menem seemed to take his bid to reform the country's Constitution one step further yesterday when Argentina's 14 Justicialist governors signed a statement supporting the modifications including presidential reelection and pledging they would campaign for it in their provinces.

During a five-hour working breakfast at Olivos presidential residence, the head of state and the governors agreed to "nationalize" the electoral campaign for the September 26 legislative elections. [passage omitted]

Education Secretary Offers Resignation

PY1703234693 Buenos Aires BUENOS AIRES HERALD in English 17 Mar 93 p 11

[From the "Argentina in Brief" column]

[Text] (DYN-NA)—Education Secretary Carlos Guido Freytes yesterday formally offered his resignation, which was accepted by ministry head Jorge Rodriguez. The ministry split was caused by differences between the two men on the issue of university restructuring. Freytes was deputy for Chubut province and headed the Lower House education committee but was appointed to the Education Ministry specifically to deal with university policy. No replacement has been named.

Bolivia

Government Promulgates Law on Funds for Indigenous Peoples

PY1803014493 La Paz Television Nacional Network in Spanish 0000 GMT 18 Mar 93

[Excerpt] The government promulgated today, during a special ceremony in Government House, the Law on Funds for the Development of the Indigenous People of Latin America and the Caribbean; therefore, Bolivia has become the first country to ratify the agreement that created such a fund.

The law promulgated by President Jaime Paz Zamora today ratifies the agreement creating the fund that was signed during the Ibero-American summit of chiefs of state and government held in Spain last July. The creation of the fund, which was proposed by President Paz, was approved and signed by the governments of Argentina, Bolivia, Brazil, Colombia, Costa Rica, Cuba, Chile, Ecuador, El Salvador, Spain, Guatemala, and other countries.

The fund has the purpose of establishing a mechanism of support for the self-development process of indigenous people, communities, and organizations in Latin America and the Caribbean. [passage omitted]

Government Said Facing Social Tensions Before Elections

PY1803025093 Madrid EFE in Spanish 1922 GMT 17 Mar 93

[Report by Alejandro Varela]

[Text] La Paz, 17 Mar (EFE)—Hunger strikes, generalized labor strikes, daily demonstrations, the seizure of airplanes, and even holding ministers as hostages are part of the social situation the Bolivian Government is facing only three months before general elections.

While the government is showing its own data—among others a sustained economic growth of 3.8 percent last year, an inflation rate that has not been higher than 10.5 percent, in addition to 10 years of democratic stability—broad sectors of the population are increasing social tensions daily with demands of a different nature.

Some ask for a salary increase higher than the 20 percent offered by the government; others protest the isolation of the localities where they live, and there are those who simply ask for the supplying of electricity to their homes, while all departments (provinces) in which the country is divided are demanding a decentralization law.

In Bolivia there are 900 people on hunger strikes; in La Paz there are daily demonstrations that prostrate the city; in the departments of El Beni and Pando there was a general stoppage on 16 March, while stoppages are announced in Chuquisaca and Potosi for 18 March.

Public areas of education, health, mining, and railways have been paralyzed, and the state airline, Lloyd Bolivian Airlines (LAB), will probably join them tomorrow.

Moreover, two LAB planes have been held for several days at the Trinidad Airport, El Beni Department, by people who demand the resumption of air routes to that town, routes that have been suspended since this week.

Official sources told EFE the government does not want to use force, especially because it is now facing the preelectoral period and is willing to meet all social demands, although it often encounters economic difficulties.

The government gave signs of that good disposition when it resolved conflicts such as that involving the people of Bermejo, in the southernmost part of Bolivia, who held three ministers hostage on 16 March for six hours, demanding the installation of electric power sources there.

Bolivian President Jaime Paz Zamora was forced to promulgate, to free his ministers, a decree establishing the immediate supply of electricity to the town of Bermejo, whose inhabitants also have seized a petroleum field and closed some of the valves of a pipeline that supplies natural gas to Argentina.

Paz stated today that his ministerial cabinet is willing to negotiate all social demands and that relations between the positions of the government and the unions have never been as close as they are now.

Nevertheless, the COB [Bolivian Labor Confederation] and the government cannot reach an agreement in the negotiations concerning a salary increase, which workers want to be higher than the 20 percent maximum offered by the government.

An example of the difficulty in reaching agreements is that of state teachers, the most intransigent group, whose average monthly salary is 330 bolivianos (some $80) monthly, and they demand an increase to 1,400 bolivianos ($337) monthly.

The newspaper PRESENCIA, which is the most widely read in Bolivia, stated today in its editorial that "political violence is added to this agitated situation" and warns that "these demonstrations are a prelude to disorder promoted by forces opposed to democracy."

The fact is that Bolivia is in the middle of an electoral campaign before the presidential elections that will be held on 6 June.

But the truth is that, notwithstanding the growing social tension, the different political groups seem to coexist peacefully in a full electoral fever, except for some violent incidents of lesser importance such as the explosion of weak bombs near certain party headquarters without causing any damage.

Brazil

Congress Promulgates Constitutional Amendment on Checks Tax

PY1803011093 Brasilia Voz do Brasil Network in Portuguese 2200 GMT 17 Mar 93

[Text] The national Congress today promulgated the constitutional amendment project that creates the IPMF [Provisional Tax on Financial Operations], or the tax on checks.

The presidents of the federal Senate, Humberto Lucena, and Chamber of Deputies, Inocencio Oliveira, today promulgated the constitutional amendment proposal that creates mechanisms for a governmental fiscal reform. The promulgation was quick at the solemn congressional session.

The amendment proposal creates a provisional tax on financial operations but needs a supplementary law. Senator Humberto Lucena explained that the president of the Republic will have two options for the approval of a supplementary law in Congress:

[Begin recording] This case will deal with a supplementary law that depends for approval on the qualified and absolute quorum in the two congressional chambers. The urgency will depend on party leaders in the Chamber of Deputies and later in the Senate. The president of the Republic also will be able to exercise his constitutional power to send this proposal to the national Congress to be voted on in a joint session within a 45-day period because the project is already considered urgent. [end recording]

The constitutional amendment also empowers both the government and Congress to refer to the Supreme Federal Court any decision concerning the constitutionality of Executive Branch actions. The amendment also forbids the issuance of public debt titles by states and municipalities through the year 2000.

* Cast of Characters of Royal Family Described

93SM0174A Sao Paulo VEJA in Portuguese 3 Feb 93 pp 22-29

[Article by Monica Bergamo]

[Text] Ready to vote in the plebiscite on the system of government, Brazilians will be surprised when they get to know their candidates for king. Our royal family is more amusing than the British one. One of the men who seeks the crown is an active member of the TFP [Tradition, Family, and Property], that association of rightist radicals. The other is accused by relatives of having pocketed money that belongs to the family. Both speak Portuguese with a French accent.

Convinced that the monarchy may be coming down the pike in the 21 April plebiscite, when citizens will choose their form of government, members of the Brazilian royal family are starting to break with a century of almost absolute anonymity. Opinion polls recommend that people not bet so much as a pair of house slippers on the future of the monarchy, but even so, candidates for king are being seen around and about. In Brasilia, they are negotiating proposals with congressmen and begging for space on TV political shows. In media circles, princes whom Deodoro's sword forced to fight to support themselves are called upon to express their ideas in debates with republicans, parliamentarists, and presidentialists.

To those fascinated by the political conspiracies and family intrigues that are a part of the daily life of royalty in any country, the daily lives of the 145 living descendants of Dom Pedro II gives them some excellent material. There are cases of heroism, adultery, brothers fighting against brothers, sisters-in-law battling sisters-in-law, as well as strong friendships. There is no shortage of princesses beautiful enough to be cover girls, or so homely they could not even get on Professor Raimundo's Kindergarten [comedian Chico Anysio's hit TV show]. There are gossips, burning passions, and even melees with the police. In 1980, for example, Prince Francisco, a great-great-great grandchild of Dom Pedro II and the owner of TRIBUNA DE PETROPOLIS was implicated in an investigation into stolen goods. Looking for cheap raw materials for his printing press, the prince had purchased lead from a thief. Among the relatives living outside Brazil, there is even a prince who was convicted as an accomplice in an armed robbery in France (see box p. 28).

"Brazil Will Call On You"

Provided one can imagine the possibility of victory on 21 April, there are three pretenders to the throne, with varying chances of being chosen. In public, they usually act like any commoner politician would on the eve of a campaign. They are not running for the office, in fact they feign a certain elegant disinterest—but they make it clear they would always be willing to "serve the country." The only declared candidate is Dom Luiz Gastao de Orleans e Braganca, 54, oldest of a family of 12 children. Dom Luiz's childhood, in fact his entire life, has been affected by a tragedy. At the age of two, while living with his parents in the interior of France, he contracted polio. He experienced growth problems and even today cannot move his right leg or remain standing for very long. Walking with difficulty, he fell down two weeks ago, fractured his femur and, after surgery, is now hospitalized in Sao Paulo. From his hospital bed he sent a letter to President Itamar Franco containing a series of questions about the plebiscite, among them a request to ensure his TV air time.

Educated in Europe and Rio de Janeiro in an atmosphere so conservative that the family did not buy its first TV set until 1970, Dom Luiz earned a degree in chemistry from the University of Munich. He never married, is not known to have ever had a girlfriend, and has never worked. Fiftyish, with grayish eyes, a very reserved manner, he has never in his life had a sexual relationship. "I am chaste, thank God," he said. "Chastity is a wonderful thing. Sex is for procreation." Raised by a mother who spoke French to her children and by a nanny who spoke German to them and punished the most serious pranks with a little whip made of steel wire, Dom Luiz has the quiet voice of an old-fashioned priest and a very heavy accent.

Since childhood, he has been preparing for the possibility of ascending the throne—someday. "Daddy always told us: 'my sons, get ready because one day Brazil will call on you,'" one family member recalls. His five brothers who married commoners were required by their parents to sign a statement renouncing their nebulous rights to the even more nebulous throne of Brazil. A fervent Catholic and fanatic monarchist, his father, Prince Dom Pedro Henrique, was a rancher who wore a cowboy hat and boots while caring for his coffee trees, cattle, and pigs in the interior of Parana State. Even in that garb, he demanded to be ceremoniously addressed as Dom Pedro. Not being very familiar with the royal family tree, the tenant farmers called him "Mr. Adam Pedro."

Candidate Dom Luiz does not have a large personal fortune. In an episode that even today sparks some invectives in the family, his cousin and leading rival for the throne, Dom Pedro Gastao of Petropolis, ended up with the biggest slice of the legacy and his father was saved from homelessness only by the generosity of a friend who gave him a house in Rio de Janeiro. A good part of Dom Luiz's expenses are being borne by the Society for the Defense of Tradition, Family, and Property, an association of Brazilian extreme rightists that he joined in 1967. He is not just an ordinary member of the TFP. Contrary to the way Pedro Henrique's tenants treat their boss, the militants of the TFP bow respectfully to greet Dom Luiz, call him "Your Royal Imperial Highness" and end their meetings by shouting slogans such as "Long live the emperor," and "Long live Dom Luiz!"

For more than 20 years, Dom Luiz was the guest in a sort of monastery, installed in buildings and farms maintained by the TFP in Sao Paulo. He rarely left those rooms, spending most of the day in prayer and penitence. Now, on the campaign trail, he has moved to a four-bedroom apartment in Sao Paulo's Higienopolis neighborhood. The apartment belongs to Homero Barradas, owner of a notary office in Rio Grande do Sul and a big man in his state's TFP. Barradas was accused by an investigating committee from the state legislature of maintaining his cash flow by doing favors in connection with the registration of properties expropriated by the state government. Dom Luiz's brother Bertrand, 51, is also a member of the TFP, where he rose to high office and was sent out to recruit followers in Latin America in the 1960's and '70's when the organization went about lighting candles in support of military coups. Three weeks ago, at a rally for the monarchy, Dom Luiz sat beside Plinio Correa de Oliveira, 84, founder of the TFP, and hailed him as "the greatest living thinker in Brazil."

"I am Horrified by the TFP"

Given his personal and political background, Dom Luiz's campaign has run up against two problems. A bachelor, his pretensions to the throne could be stymied by a basic difficulty—the impossibility of leaving an heir. It is a problem he promises to overcome. "I can get married, if need be," he said. Withdrawn, he gained a reputation of having such a fragile personality that he could be manipulated by his brother Bertrand, who is articulate and well-spoken. The political issue involves Plinio Correa de Oliveira's TFP, with which Dom Luiz appears to have ties more solid than those that bind Minister Luiza Erundina to Luis Inacio Lula da Silva's PT [Workers Party].

Since the last century, when absolute monarchies transformed themselves into constitutional regimes, monarchs have become symbols of the nation they represent, prevented from belonging to parties or even expressing opinions on political matters. Convinced that Dom Luiz hinders their cause more than he helps it, four of his brothers are conspiring to convince him to renounce his pretensions in favor of another member of the family, Dom Antonio, 42, married to a Belgian princess. "I am horrified by the TFP," says Dom Francisco, one of the brothers. Two years ago, one faction of the family met with Dom Bertrand and appealed to him to get Dom Luiz to renounce his plan to become Dom Luiz I. No luck.

The House of Orleans e Braganca lost the throne in 1889, and since 1908 there has been no agreement as to who is the legitimate heir to the crown. In that year, Pedro de Alcantara, Princess Isabel's oldest son and her natural heir, decided to marry Elizabeth Dobrezenski, a Czech countess. Interested in a match a few rungs higher on the ladder of nobility, to someone directly descended from kings and able to open the doors to the most illustrious salons throughout Europe that could help her in an imaginary restoration, Princess Isabel forced Pedro de Alcantara to renounce his place in the line of succession, both for himself and his heirs. According to the document, signed at the beach resort of Cannes, everything was decided. Her brother, Dom Luiz, became the natural candidate for king. Upon his death, the succession passed to the first-born Pedro Henrique and at the latter's death in 1981, to his oldest son, the current candidate, Dom Luiz.

The problem arose when people notified Dom Pedro Gastao, the oldest son of Pedro de Alcantara, that he could never ascend to the throne, even if the Republic were to go up in smoke. Unreconciled, even today he denies that the document is valid. "That renunciation is just some scrap of paper," he says. "The signature was not even notarized." Like arguments among collectors of rare coins, for more than half a century the fight was a waste of time to everyone but those who have a direct interest in it. Now it may be resolved—but not by the family. If the monarchy is approved in the plebiscite, it will be up to Congress to choose the new king. Theoretically, it could turn out to be Dom Luiz, Dom Pedro Gastao, or even a monarch who is not a member of the House of Orleans e Braganca (see box p. 27).

"A Coup in the Family"

At age 80, with six children and 15 grandchildren, Groucho Marx eyebrows, and a mustache like former Minister Ricardo Fiuza had, Pedro Gastao is a tourist attraction in Petropolis, where he lives in the old Grand Para Palace, the same one Dom Pedro II's court and servants stayed in after the family left Rio de Janeiro. He awakes at 0600 every day and, after a swim in the pool, mounts a purebred horse to go to his office. Nearby is the old Isabel Palace, once the residence of the princess but now a hodgepodge of family accommodations and the headquarters of several family businesses. A daughter-in-law lives in one of the annexes. In another outbuilding, which housed the former kitchen, his daughter Cristina, 42, has a shop that sells imitation British-style furniture.

The same building still houses the main republican money-earner for the family—Companhia Imobiliaria de Petropolis [Petropolis Realty Co.]. Dom Pedro Gastao neither constructs buildings nor sells real estate; he just collects a tax, a laudemium, on real estate transactions made in the city that was built within the boundaries of one of Dom Pedro I's farms. Under a clause of the Civil Code, the heirs to the throne are entitled to levy a 2.5 percent tax on the sales price of each of the 35,000 properties in the city. The company pockets an average of $300,000 a year from this.

Within the family, Pedro Gastao is now the wealthiest. Originally, the financial wellspring at Petropolis belonged to the descendants of Princess Isabel, among them Pedro Gastao and his cousin Pedro Henrique. During World War II, while the cousin was living in Europe, Pedro Gastao convinced one of Pedro Henrique's attorneys to sell him the latter's portion. According to the document, if he were to disagree, Pedro Henrique would have one year in which to annul the transaction and buy back his shares. When he returned to Brazil in 1945, Pedro Henrique was told that the deadline had passed, and he was left empty-handed. The case went to court, which ruled in favor of Dom Pedro Gastao who, after additional purchases, has now become the owner of 60 percent of the business. "It was a coup that left the family impoverished," Dom Bertrand charges. "They are the ones who wanted to sell their shares," says Dom Pedro Gastao. "Those people whine a lot."

"At the Disposal of the Country"

The third pretender, Joao Henrique de Orleans e Braganca, or "Prince Johnny," 38, is charming enough to star in any kind of campaign—monarchist, republican, presidentialist, or parliamentarist. He has surfed off the beach at Bali, lived in cheap hotels in Indonesia, driven across Australia in a jeep, and later made a career as one of the pioneers of "green" photography in Brazil. Nephew of Pedro Gastao and cousin to Dom Luiz, he earns his living from a hotel he owns in Parati, the

"Pousada do Principe." Ah, the advantages of blue blood. To build it, Prince Johnny got $230,000 from the cheap money vault at the republican BNDES [National Bank for Economic and Social Development]. Going strictly by dynastic rules, he would occupy a spot somewhere at the bottom of the line of succession—behind cousins, uncles, and his own father, Prince Dom Joao, who married socialite Tereza de Souza Campos and manufactures cachaca [Brazilian rum]. His hope is that he would be chosen by Congress. "I am not a candidate," he says, "But I am at the disposal of the country."

As was always the case, some strange characters can be found among the candidates for the Brazilian throne. One of Dom Pedro II's grandsons, a son of Princess Isabel, was insane. One of the emperor's sons-in-law, the Count D'Eu, was a slumlord in Rio de Janeiro. Pedro I was a lively emperor, and intelligent. He was also an adventurer and had a great way with the ladies. His son, Pedro II, was shy, displayed little initiative, was intellectually amorphous, and it is speculated that he might have ventured into an extramarital romance, judging by some of the letters he wrote to an acquaintance. If there was such a romance, it was the only one. A psychologist would love to take on that case. Pedro II lost his mother very early, and his father left him practically alone in Brazil at age 5, in order to go back to Portugal. Pedro II is the patron of the abandoned child.

The republican century worked big changes in the family. After renouncing his rights in 1908, during the 1940's Dom Pedro de Alcantara got rid of that same crown, worn by Pedro II, that the family now wants back, 50 years later, in the plebiscite. The crown, crafted of solid gold and encrusted with 639 diamonds, was handed over to the Museum of Petropolis by Pedro Gastao's father in exchange for 5,000 *reis*. Besides the jewels, the pomp, and the empire itself, the family also ended up making a splash on the labor market. Most of Dom Luiz's 11 brothers and sisters work—albeit, in many cases, at princely chores.

The Marquise of Santos

At 53, Dom Eudes was once a Navy frogman and later made his name a designer label by christening wines and real estate projects. Along with three brothers, he still runs a travel agency that is rated among the 12 largest in Rio de Janeiro, where an unmarried sister, Isabel, 48, also works. A sixth brother is a lawyer, and a seventh an engineer. Another sister, Eleonora de Ligne, married a Belgian prince and lives in a castle that is listed among that country's tourist attractions. The youngest are twins, the pretty Maria Teresa and Maria Gabriela, 33, who pay the bills at the end of the month by decorating homes with wallpaper in Paris, where they live in a borrowed apartment. [On the other side of the family,] Pedro Gastao's children include a forestry engineer, two interior decorators, two farmers, and the sixth—the one who bought the cheap lead—owns the newspaper TRIBUNA DE PETROPOLIS.

As we approach the year 2000, members of the House of Orleans e Braganca now marry commoners, but divorce is a drastic step. Today, half of Dom Pedro Gastao's children are on their second marriages. One princess, Cristina, 42, separated from a Polish prince to live with a new husband. Even today, she cannot bring him to her father's house. At 36, Francisco, the baby of the family and already married, developed an all-consuming passion for a former employee of the family business named Rita, who was dubbed in Petropolis the "modern Marquise of Santos," in a reference to the famous Domitila de Castro, with whom Pedro I had five children. One of the city's social columnists, Sonia Moreira, recalls how on one occasion, "Francisco came and grabbed the girl away from her desk, put her on the back of his motorcycle, and took off on the road to Salvador."

"Had no Money"

Today, the two acknowledge the relationship and live normally under the same roof. They even have a son. Dom Pedro Gastao, however, pretends not to know about the boy and considers Cristina, Francisco's first wife, to be his real daughter-in-law. He takes her on trips and lets her live on the second floor of the old Isabel Palace. "I take pity on people who get divorced," says Dom Pedro Gastao, who gets along well only with the second husband of his daughter Maria da Gloria, the beneficiary of a [church] decree worthy of Caroline of Monaco. She convinced the Vatican to annul her first marriage and went to the altar for the second time. Among Dom Luiz's brothers and sisters there is only one affair, that of Dom Eudes who, after marrying a commoner fell in love with another woman, 16 years his junior, with whom he still lives.

"My parents thought I should marry a princess, with pomp and circumstance. But I had neither the time nor the money to travel around Europe looking for a girlfriend," he said. Eudes has been married to his second wife since 1976. Sixteen years after that marriage, his mother, Maria Elizabeth of Bavaria, still will not receive her daughter-in-law at her home. During their honeymoon, Eudes and his second wife, Mercedes, a teacher, were in a plane crash and spent five days lost in the jungle in Jamaica. After being rescued, they came back to Brazil. Maria Elizabeth went to Galeao Airport to meet her son, but said not a word to Mercedes. "I cannot accept the divorce. In a strict and respectable family, I have to set the example," she said. Maria Elizabeth lives on a 24-hectare farm in the Rio de Janeiro city of Vassouras where she has a small orchard, raises chickens, and takes care of the horses that her children and grandchildren ride when they visit.

Two and a half months away from the plebiscite, the Orleans e Braganca family has even mobilized outside of Brazil. The countess of Paris, Dom Gastao's sister and heiress to the throne of France should the Revolution of 1789 be reversed, will arrive just before Carnival. From the castle in Belgium, Princess Eleonora sent word that she will arrive in March. "Monarchy means freedom and tranquillity," she said. "The Brazilian people are not familiar with history. Monarchy is the way," said Maria Teresa, one of the twins, who last week, after a ski vacation, began preparations to come to Brazil. The Brazilians took an intensive apprenticeship course in politics throughout the 103 years of the Republic, and so has the Orleans e Braganca family. Some time ago, Princesses Maria Teresa and Maria Gabriela were spotted at the Charles de Gaulle Airport in Paris, attempting to board a flight without paying for their excess baggage. Since the Varig employees were resisting their pleas, they said, in exasperation, "We are members of the royal Orleans e Braganca family." It did not help at all. No one could quite understand what the two were talking about.

[Box p 26]

Their Ideas

The differences between the candidates for king of Brazil are not limited to age or biography. Invited to give their opinions on current topics, the three postulants for the throne reveal their ideas:

- The Itamar Government: "The imperial family should not express an opinion about politicians," said Dom Luiz Gastao de Orleans e Braganca. "It is too early to say," said Dom Pedro, evasively. "By fits and starts, it is achieving a consensus," said Dom Joao.
- Marriage: "It is a sacrament established by Christ, and the foundation of a true family," was Dom Luiz's opinion. "I am an adherent, since I have been married about 50 years now, and am very happy," Dom Pedro stated. "It is like an island in the ocean, it merely exists," said Dom Joao.
- Divorce: "I am against it," said Dom Luiz. "Those couples deserve pity, although it has happened in my own family," Dom Pedro lamented. "It is another island in the ocean," repeated Dom Joao.
- The Death Penalty: "Philosophically, I am in favor of it, but not now," explained Dom Luiz."Out of respect to the Holy Father, I am against it," said Dom Pedro, disagreeing. "I am against it on religious principles and because it is futile," added Dom Joao.
- The Coup of 1964: "It saved our country from communism," Dom Luiz believes. "Yet another demonstration of the bankruptcy of the Republic in Brazil," as Dom Pedro put it. "That is past history," said Dom Joao.
- A Model King: "From the past, St. Louis IX of France, and St. Fernando II of Castile, among others," Dom Luiz suggested. "My nephew Juan Carlos of Spain, and King Baudoin of Belgium," were cited by Dom Pedro. "Dom Pedro II, who was a democrat, and Juan Carlos, synonym of the cohesiveness of the nation," Dom Joao explained.
- A President: "Someone else from the past, the great Garcia Moreno of Ecuador," Dom Luiz recalled. "Epitacio Pessoa, who revoked the banishment of the royal family," Dom Pedro recalled. "Juscelino [Kubitshek] and Getulio [Vargas]" were Dom Joao's preferences.

[Box p 27]

The Power of the King

The Brazilian imperial family reminds one of the history books that exhibit the white beard of Dom Pedro II, and it is not very likely that it will be able to return to power more than a century after the Proclamation of the Republic. Only one of the 503 federal deputies, Sao Paulo's Cunha Bueno of the PDS [Social Democratic Party], can call himself a traditional monarchist. Cunha Bueno has drafted a proposal for a possible Brazilian monarchy. Under it, the king would be chosen by the Congress from among representatives of the House of Orleans e Braganca. Using a clause crafted for the purpose, it would rule out pretender Dom Luiz: only a prince who was born in Brazil could ascend the throne. That leaves out both Dom Luiz and Dom Bertrand, who were born in France and were registered with the Brazilian consulate.

We can bet that if the monarchy is approved by the plebiscite, Cunha Bueno's bill will be turned inside out by the Congress, where proposals regarding the nobility of the PSDB [Brazilian Social Democracy Party], the royal house of the PMDB [Brazilian Democratic Movement Party], and even of the PT [Workers Party] will crop up. Except for African and Asian kingdoms, in most countries where the monarchy is in effect it is a constitutional regime in which the king has a symbolic role without any decisionmaking power. In England, Queen Elizabeth II is prohibited from expressing an opinion on any topic of a political nature. She wields her undeniable influence only in conversations behind the scenes. The same is true in Japan. Things are different in Spain. There, King Juan Carlos has the right to attend Cabinet meetings, something forbidden in England, where the queen is merely informed of the decisions made there. Juan Carlos achieved a stature different than that of his fellow monarchs after he prevented a military coup in 1981. With that gesture, he showed that he was capable of holding a post that is only honorific in other countries, that of Supreme Commander of the Armed Forces.

[Box p 28]

Number One

Her name is Isabelle Maria Amelie Louise Victoire Therese Jeanne d'Orleans-Bragance, Countess of Paris. Of all the Orleans e Braganca family, this lady of the nine names has achieved the most prestige in the world of bluebloods. She has relatives in all the royal houses of Europe and addresses King Juan Carlos of Spain with the familiar form of "you." Married to Henri de France, count of Paris, Isabelle would be queen of France if the monarchy still existed in that country. At age 81, she lives in Paris and has 39 grandchildren and seven great-grandchildren. Her favorite pastime is hunting wild boar. "People are horrified when we hunt the animals, but I can assure you, it is fun," she said.

Like many in the Orleans e Braganca family, the countess has not lived happily ever after. The life of noblemen is like that of commoners in many respects. In the case of the countess of Paris, the youngest of her 11 children, Thibaut, spent 14 months in jail in 1980 and 1981 for taking part in an armed robbery of an art collector's home. Thibaut was not present at the time of the theft, but was found to be an accomplice of the duo of robbers. One of them was his partner in an art gallery, which went duly bankrupt afterward. Thibaut died of a heart attack in 1983, at age 35, in the Central African Republic where he was planning to become a safari guide and open a diamond mine.

Isabelle is separated from her husband, who traded her in for a secretary. The two have not divorced, but made an agreement to live apart and reached a property settlement, like Charles and Diana of England. The countess feels she is not properly respected by the family in Brazil and complains that she does not even have a place to stay when she comes to Brazil. "I am entitled to at least an apartment in one of the two palaces the family occupies in Petropolis," she pouted. Right now, she is upset about the price of an airline ticket to Brazil. "In the old days, I used to pay for business class and Varig would let me fly first class," she recalls.

[Box p 30]

It Is All on Paper

Last week, President Itamar Franco received for signature the bill passed by the Congress that regulated the plebiscite on the form and system of government in Brazil. Scheduled for 21 April, the plebiscite will be almost an election. Voting is mandatory for persons 18 and over, and optional for illiterates, young people ages 16 and 17, and those over 70. It will even be possible to vote while traveling, or out of the country. The voter will have to choose between a parliamentary republic, a presidential republic, and a parliamentary monarchy. Anyone who has not yet registered to vote can do so until 11 April. On paper, the plebiscite is all set. In practice, there is confusion. People still do not know what the proposed systems of government will be like, and the format of the ballot has not yet been approved. President Itamar Franco will veto the model proposed by the bill that was passed. The Superior Electoral Court will have to design one.

Three legislative fronts have been established, representing the possible alternatives. According to the bill on Itamar's desk, each front will get 20 minutes a day of air time on TV and radio, divided into two blocks of 10 minutes each, one in the evening and the other at night, during the 60 days that precede the voting. Before they can use their free air time, each of the fronts is required to have a consolidated proposal to offer the voters, one approved by the presiding officers of the National Congress. That is the problem with the debates on the form and system of government. Parliamentarists, presidentialists, and monarchists have still not reached agreement on what they will propose on television. This means that as far as the voter is concerned, almost all the decisions have yet to be made. As far as the sponsors of the plebiscite are concerned, everything has been thought of. According to the bill, there will be no restrictions on financial contributions. Donations of up to 400 million cruzeiros can be deducted on the giver's income tax return. The president is considering vetoing that exemption.

Who's Who in the Brazilian Imperial Family

Dom Joao VI, king of Portugal, and his wife Carlota Joaquina of Bourbon

[Their son] Dom Pedro I. The current members of the royal family are descendants of his first marriage, to Maria Leopoldina.

[His son] Dom Pedro II, acclaimed emperor of Brazil in 1840 and deposed in 1889. Married to Dona Teresa Cristina.

[Other children of Dom Pedro I]

- Francisca, married the Prince of Joinville.
- Paula Mariana, died at the age of 10.
- Januaria, married the Count of Avila.
- Joao Carlos, died in infancy.
- Miguel, died in infancy.
- Maria II, Queen of Portugal, married Dom Fernando de Saxe-Coburgo-Gotha

[Children of Dom Pedro II]

- Afonso and Pedro, both died at the age of 2.
- Dona Leopoldina, married to Prince Augusto of Saxe-Coburgo-Gotha.
- Princess Isabel, married the Count d'Eu.

[Children of Princess Isabel]

- Antonio, died at age 37.
- Dom Pedro de Alcantara, in 1908 renounced his right to occupy the throne in the event the monarchy was restored, so he could marry Elizabeth Dobrezenski, a Czech countess.
- Dom Luiz, married Italian Princess Maria Pia de Bourbon-Sicilias.

[Children of Dom Pedro de Alcantara, a son of Princess Isabel]

- Dona Francisca, married to Dom Duarte, Duke of Braganca and heir to the throne of Portugal.
- Isabelle, 81, countess of Paris, married Henri of France, heir to the French throne. She will be queen if the French Revolution is reversed.
- Dom Pedro Gastao, 80, married to Princess Maria

Esperanza de Bourbon, aunt of King Juan Carlos of Spain.

- Dona Tereza, married industrialist Ernesto Martorell y Caldero.
- Dom Joao, married to socialite Tereza de Souza Campos.

[Children of Dom Pedro Gastao, a son of Dom Pedro de Alcantara, grandson of Princess Isabel]

- Dom Pedro Carlos, 47, a forestry engineer, has two children. Last May, the oldest of them, Pedro Thiago, was kidnapped.
- Dona Maria da Gloria, 46, lives in Spain, is on her second marriage.
- Dom Afonso, 44, raises dairy cattle in the interior of Rio de Janeiro State and says he is not a monarchist, but an agriculturist.
- Dom Manuel, 43, a rancher in Spain, does odd jobs for the Brazilian government. The latest involved working at the Brazilian pavillion of Expo-92 in Seville.
- Dom Cristina, 42, sells copies of English furniture in Petropolis. Divorced from a Polish nobleman, she lives with a commoner, Jose Carlos Calmon.
- Dom Francisco, 36, owner of the newspaper TRIBUNAL DE PETROPOLIS, which has a circulation of 5,000.

[Children of Dom Joao, a son of Dom Pedro de Alcantara, grandson of Princess Isabel]

- Joaozinho [Johnny], 38, is the ideal prince: elegant, handsome, and modern. He has been a surfer, is an ecologist and photographer. He owns a hotel in Parati, the Pousade do Principe.

[Children of Dom Luiz, a son of Princess Isabel]

- Dom Pedro Henrique, married Maria of Bavaria, was the patriarch of the Vassouras branch of the family. Died in 1981.
- Dom Luiz Gastao, died at age 20.
- Dona Pia Maria, married to a French count, lives in a castle in the Loire Valley.

[Children of Dom Pedro Henrique, a son of Dom Luiz, grandson of Princess Isabel]

- Dom Luiz, 54, bachelor, virgin, and militant member of the TFP, considers himself the legitimate heir to the throne.
- Dom Eudes, 53, the only divorced man in the family. He has a vineyard and a travel agency that he shares with four brothers.
- Dom Bertrand, 51, takes care of foreign relations for the TFP and is the strategist for the campaign for the Vassouras branch of the family.
- Dona Isabei, worked in Mobral [government literacy program] and lives with her mother in Rio. She is 48, and single.
- Dom Pedro, 47, an economist, once a manager for Chase Manhattan, owner of a brokerage and is now partner in a travel agency with four of his brothers.
- Dom Fernando, 44, worked in a sugar mill owned by the Othon group and is now with the Jari Company. He is one of those who want his brother Dom Antonio to ascend to the throne.
- Dom Antonio, 42, married a Belgian princess and is the candidate preferred by one part of the family. A civil engineer, he does public relations for an auditing firm.
- Dona Eleonora, 40, also managed to marry nobility and now lives with her prince in a castle in Belgium that is on the list of tourist attractions.
- Dom Francisco, 37, the most radically opposed to his TFP brothers. He has even asked them to renounce their pretentions, but in vain. He is one of the partners in the family travel agency.
- Dom Alberto, 35, a lawyer, is partner in one of the five largest corporate law firms in Brazil.
- Maria Teresa and Maria Gabriela, the twins, are interior decorators in Paris. At 33, they are single and looking for serious boyfriends.

Chile

Finance Ministry Expresses Concern Over Stalemate in GATT Talks

PY1703234093 Santiago EL MERCURIO in Spanish 26 Feb 93 p B14

[Text] The Finance Ministry issued a communique yesterday in which it expresses its concern over the block in trade negotiations within the GATT and the impending threat of a trade war between the EC and the United States which would jeopardize the whole issue of current international trade regulations.

The communique was read by Finance Ministry adviser Sebastian Saez. It states that this threatens to reverse the progress made in world economics over the last 40 years to achieve free trade.

The communique adds that "this would especially harm the economies of certain countries—like Chile—that have implemented a free trade policy, promoted active participation in the world economy, and made foreign trade the prime mover of its economic growth."

The Finance Ministry believes protectionist policies like trade control and "one-sided export restrictions, which are now considered an antidote to the problems confronting several countries, are not the answer to those problems. On the contrary: they may become a serious hurdle in the medium term."

The communique states that "these measures might jeopardize the economic reforms that many developing countries have implemented over the last decades in an effort to overcome the serious problem of their external debt."

The Finance Ministry says that the basis for reaching an agreement in the GATT Uruguay Round is to be found in the proposal submitted by the director general of the GATT in December 1991. It states: "This document has been generally considered a balanced proposal. This indicates a step forward in the working of the multilateral trade system."

The communique adds that only by implementing stringent and fair multilateral regulations can the agreement provide guarantees for all member countries and prevent changes in the rules of the game. It adds that such measures are the appropriate framework through which to resolve conflicts between countries, regardless of their size or level of development.

The communique states that the underlying requirement for maintaining and improving the multilateral trade system and moving toward the free trade of goods and services is the political will of all members of the international community.

In conclusion, the communique mentions that "Chile reiterates its commitment to attain these objectives as the main instrument of promoting and protecting our foreign trade."

Peru's Fujimori States Desire To Resolve Pending Issues

PY1703191493 Santiago EL MERCURIO in Spanish 7 Mar 93 pp A1, A14

[Report by special correspondent in Lima Patricia Vildosola]

[Excerpt] Peruvian President Alberto Fujimori has told EL MERCURIO about his desire to resolve all the pending issues with Chile, especially those related to the 1929 treaty, to materializing a visit to Chile, and to having the Chileans continue to invest in Peru.

Despite a very busy agenda, Fujimori—who during these past days has participated in welcoming the remains of Senor de Sipan, a monarch who ruled 1,700 years ago—honored our request for an interview in a very casual, cordial, straightforward, and concise manner.

The Peruvian president voiced his desire to solve all the pending problems with Chile. "At a government level, both countries are working through bilateral commissions to resolve all the pending issues of the 1929 treaty. As far as I am concerned, at least, we hope we can do this during my administration."

Because he believes that the world tendency is toward integration, Fujimori hopes to tighten relations with Chile. To achieve this he says he will do "what no other Peruvian Government has done before: to sit at a negotiating table and reach agreements over those issues pending since 1929 and to invite our Chilean friends to visit Peru and invest with all the guarantees this government can offer them."

Regarding bilateral relations, Fujimori said that they are "tightening," especially through the important Chilean investments in Peru.

Fujimori said he was pleased and wants Chilean businessmen to continue to invest in Peru, especially by participating in the Peruvian privatization process.

The Peruvian president said that "one of the characteristics of Chilean investments is that they are not of a speculative nature; they mean to remain in the country, through taking interest in mines and industrial plants. The characteristic of Chilean capital is precisely that it is not 'seasonal,' only coming when convenient and then leaving."

Fujimori said he does not intend to discriminate or give anyone economic privileges. "The rules are the same for all types of investments, no matter their origin, and Chilean investors have been the first to benefit from this law. There are no special privileges, no restrictions, no discriminations. Chilean investors are more than welcome!"

Regarding a possible visit to Chile—which had been scheduled for last year, but never took place—Fujimori said that "no visit or invitation has been made officially, but I am naturally very interested in this."

He views the commercial agreement Chile and Bolivia are negotiating as neither positive nor negative. "It does not affect us, as the Bolivian, Chilean, and Peruvian economies complement one another. We have always upheld these types of contacts, because integration is our ultimate objective."

Fujimori did not dismiss the possibility of forming an economic bloc with Chile. "The possibility exists, although the necessary steps in that direction have not yet been taken, but my government is most willing." [passage omitted]

Seized Document Cites Dissent Within Lautaro Group

PY1703235893 Santiago EL MERCURIO in Spanish 11 Mar 93 p C3

[Text] Police have seized a Lautaro extremist group document that has, for the first time, reflected dissent inside the organization, especially against its leader, Diego Carvajal. The document also urges waging, in addition to the subversive fight, an ideological struggle.

The document also advocates the use of the Mapuche movement to harass the government.

The dissidents maintain that in addition to resorting to the path of subversion, it is necessary to adopt an ideological position to overcome the crisis.

The document was analyzed during the Third National Plenum the extremist organization held in Las Higueras, Talcahuano, in January.

The dissident group, which drew up the document, states that the Lautaro group is going through a critical moment. "The deaths and arrests of valuable fellow movement members reflect a structural inability to bear the conditions of a war for which the movement is not sufficiently prepared."

The document criticizes the fact that "the masses" have not yet been able to form a People's Revolutionary Bloc, which the subversive group decided to create sometime ago.

The dissidents admit that contrary to what Carvajal himself had sought, extremism cannot grow and live in the country. "We believe that to maintain that subversion lives is a simplistic conclusion. On the contrary, subversion actions are sporadic, do not attract people, and only seek to provide economic support. The spreading of subversion is an objective that is still to be attained, and the possibilities for attaining it are still remote because of the cost of this adventure."

Mapuches and Subversive Prisoners

The document also clearly stresses the need to use the Mapuche movement, pointing out that "it is true that the movement has jeopardized the domination to which this ethnic group traditionally has been submitted, but this is a problem we cannot control with structures and methods that the entire Mapuche people are not yet accustomed to. The Mapuche people have concrete demands involving land, culture, and the availability of technology to produce and work in peace."

The document also states that it is inappropriate to use subversive prisoners in new "adventures" because prisoners have other major concerns: "good defense, fast trials, decent economic conditions, opportunities to work and have recreation in prison, and the opportunity to no longer be a burden on the family budget."

The Situation Within the Lautaro Group

The dissidents note that the Lautaro group is suffering from a progressive reduction in the number of its militants because of arrests "and also because of a slow and sustained recomposition process. The reasons for such a process lie within the objective situation of youths and the appeal of our position, structure, and style."

The dissidents, therefore, urge preserving "what is left" and opening a new front in the ideological struggle, in addition to the subversive fight. "Just like we have won recognition by taking the risks and demands of subversive fight, with efficient and triumphant results in many actions, we also want to engage in the ideological fight."

The dissidents reiterate that they have not "abandoned the ship. We know that many of us who are living the harsh underground life have wondered about this."

Ex-Intelligence Chief Comments on Letelier Case

PY1703210393 Santiago LA TERCERA DE LA HORA in Spanish 26 Feb 93 pp 6, 7

[Interview with Brigadier Pedro Espinoza Bravo, who was the intelligence director of the dissolved National Intelligence Directorate, Dina, at the time former Foreign Minister Orlando Letelier was murdered in Washington, by unidentified reporter in Santiago; no date given]

[Excerpt] [LA TERCERA] How do you see the case, Brigadier?

[Espinoza] The truth is that neither the military government, Dina, Colonel Contreras, who is now a general, myself, nor anybody in the government intelligence services at that time participated in any way in the murder of Orlando Letelier. As I once said, it was a U.S. Government plot to destroy the military government. There are many aspects of the process that do not agree with reality, aspects that have not been studied, that were distorted, invented, or fabricated to prove the improbable.

[LA TERCERA] What was your participation in the intellectual or material planning for Letelier's murder?

[Espinoza] Dina never planned any attack.

[LA TERCERA] Some former employees of the Dina are now providing information to clarify murders. Were they lying when they gave details, for example, of the murder of Spanish diplomat Carmelo Soria?

[Espinoza] If they were in any way responsible for those crimes they are complying with a moral obligation to report them, but by falsely involving other people to lighten their responsibility, I believe they are making a serious mistake.

[LA TERCERA] You told Justice Banados: "Contreras gave the orders." Are you involving General Contreras in the plot against Letelier?

[Espinoza] No, I merely confirmed the echelon of command within an organization of military nature. This is established in the decree that created the Dina. It was a military-styled organization. Some gave orders and others received them.

[LA TERCERA] You said: "I was the intelligence chief." How can an intelligence chief say he did not know Michael Townley but that you knew him by the name Andres Wilson, that you only knew who Townley was when you received the marriage certificate of Mariana Callejas [Townley's wife]? It was publicly known that Townley was operating in the country before the time of the military government, that he installed the rebel clandestine radio station that operated during the days of the government of the UP [Popular Unity], and that he was involved in the murder of a laborer in Concepcion. How come the intelligence chief did not know about all this?

[Espinoza] I only knew him as Andres Wilson. For me that was his name.

[LA TERCERA] Was intelligence so bad that the chief did not know something that was common knowledge?

[Espinoza] There is another unit in the intelligence service that handles these situations. This is called counterintelligence. Intelligence only receives analysis of the information and produces intelligence reports for the higher echelon based on determined plans. I used to get documents with all kinds of names that meant nothing to me because they were not part of my network. Every agent had his own network and within these networks the people did not appear with their real names. Names were not important. Only the result of their work was important.

[LA TERCERA] What was Michael Townley's job?

[Espinoza] He supplied the telecommunications and electronic equipment used for intelligence. He purchased it in the United States. He used to say that the U.S. Armed Forces deemed it unfit for further use.

[LA TERCERA] How did you react when you learned in Concepcion that you had participated in a murder?

[Espinoza] I never learned anything about it. I learned that there had been a death. As far as I know, those responsible have been arrested. Townley did not stay in Chile. He left for Argentina without documents and then went to the United States. I learned all that later, but we were not interested. At the time, there was no Dina or political intelligence organization in the country. Intelligence work was conducted by the national defense institutions. Theirs was a neatly professional, military sort of intelligence. We were not interested in people who were not linked to the Army.

[LA TERCERA] What did you say when you learned who Townley or Andres Wilson was?

[Espinoza] I have already told that to Justice Banados. I learned about it when I received Mariana Callejas' marriage certificate. I then linked the two facts.

[LA TERCERA] How long did Mariana Callejas work for Dina?

[Espinoza] She was never an agent. Once, someone asked for an identification badge for her. As Dina director, Col. Contreras refused to grant it.

[LA TERCERA] Her name appears in the legal proceedings.

[Espinoza] Yes, but linked to the CNI [National Intelligence Center], not to the Dina.

[Editorial comment by LA TERCERA] According to Brigadier Pedro Espinoza's report, Townley never was a Dina agent. The numerous details and the clear assertions by the lawyers of Espinoza and Contreras indicate that "Townley was a U.S. Government agent who's assignment was to tarnish the military regime's image abroad."

[LA TERCERA] The military government has always talked about a smear campaign. Whenever cases of arrested, killed, and missing people were mentioned, the government said they were antigovernment concoctions. What do you have to say about Father Juan Alsina? It has been officially reported that he died during a clash. A civil court judge, however, recently discovered that he was murdered by a conscript who shot him on the orders of a captain, who was ordered to do so by a major. Is this also a concoction?

[Espinoza] A revolution, a war with very special idiosyncrasies that characterize this country's institutions, occurred on 11 September 1973. That day, there were enemies, winners, and losers. People were killed, arrested, and many are still missing.

[LA TERCERA] Do you admit that some arrested people were subsequently executed?

[Espinoza] I believe that, in their line of duty, everyone complied with the obligations of their position and followed the instructions they received.

[LA TERCERA] You were the head of intelligence. Did you know about these excesses?

[Espinoza] Everyone has a conscience and personal convictions. Everyone fulfills their duty in accordance with the requirements of the situation and of the moment.

[LA TERCERA] Have you committed any abuse? Do you regret anything?

[Espinoza] I regret nothing because I have not committed any abuse. [passage omitted]

Colombia

Minister Views Talks With ELN Dissident Group

PA1703233693 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1200 GMT 17 Mar 93

[Telephone interview with Government Minister Fabio Villegas by unidentified station reporter and station News Director Dario Arizmendi—live]

[Text] [Reporter] During the past few hours, the Socialist Renewal Movement [IRS], a dissident faction of the Army of National Liberation, ELN, made a proposal to the government for a possible demobilization of almost 700 members of that subversive wing. The national government has stated that the ELN socialist wing must clearly show their willingness to end all their criminal activities before talks can begin. We will interview Government Minister Fabio Villegas on the subject.

Mr. Minister: Gustavo Petro, the representative of the 19 April Movement Democratic Alliance who announced the proposal made by the CRS, has said that faction already declared a unilateral cease-fire. Would you take their word and begin talks with that faction?

[Villegas] The country has learned about an announcement made by the self-styled Socialist Renewal Movement. That group has mentioned the possibility of abandoning the rebel movement, the armed struggle, and violence, and joining the nation's civilian, political, and democratic life. The government has received the proposal with interest and feels it must be studied. In that sense, the government has asked that organization for clear, specific, and unequivocal gestures of peace to begin preliminary talks. We believe those gestures should include a unilateral cease-fire, the release of kidnapped persons, abandoning violence and clandestine activities against public forces and the civilian population. We need those clear gestures from the CRS faction to begin a dialogue process with that group.

[Reporter] The demands of that dissident group include the right to have a radio station and a television program, as well as mayoral offices. Do you know of these demands? What is your opinion?

[Villegas] In its public communique, the group presented a series of demands. The government has not studied the proposals and certainly has not committed itself to accepting those demands. The process is in a preliminary stage, where we must decide whether we will advance in a process of direct dialogue with the CRS. Should the group decide to advance in the dialogue process by accepting the government conditions such as declaring a unilateral cease-fire, ceasing activities against the civilian population and public forces, we will then establish the procedures to be implemented to begin the dialogue. Thereafter, we will consider the possibility of discussing their demands.

[Reporter] Does this mean the government will not take any further action until the group proves that its cease-fire proposal is serious?

[Villegas] The government views negotiations and dialogue as an important means to restoring peace in Colombia. The government cannot be an instrument to strengthen subversive actions, guerrilla activities, or to foster violence. It cannot contribute in creating conditions that would further frustrate Colombians in their quest for peace. To proceed with negotiations, we must be absolutely sure that the subversive groups are sincerely interested in joining the country's political and democratic life.

[Reporter] We understand the CRS has declared a unilateral cease-fire. What are the necessary conditions and how long should the government and the country wait before beginning a direct dialogue with this group for its demobilization?

[Villegas] We must wait for specific and clear signs from this guerrilla group confirming the sincerity of the peaceful intentions of the CRS. After that, we can determine the procedures for the dialogue process.

[Reporter] Changing the subject, during the past few hours, the media has published a message from Pablo Escobar in which he presented three or four conditions for his surrender to the authorities, which are not as demanding as the previous ones. Do you know of this document, and if so, what is your opinion?

[Villegas] I am unaware of any such document.

[Reporter] What specific actions will the government announce in Uraba on 17 March to protect the members of the Hope, Peace, and Liberty Movement?

[Villagas] Basically, there are various reasons for the government's presence in Uraba. First of all, the president will formally announce an investment plan for Uraba. This plan is aimed at strengthening the state's institutional presence in that part of the country, in other words, the presence of the public forces, justice, and institutions in charge of prosecutions and investigations. This is complemented by a vast plan on social investments in infrastructure, education, and health which, as you know, surpasses 130 billion pesos. In addition to that plan, which shows the government's determination to contribute to the overall development of the Uraba region, we want to express our total solidarity to the good people that live in that part of the country, who are facing threats and criminal actions by the Guerrilla Coordinating Board [CNG]. As I said, we want to show our solidarity and support to the peace process undertaken by organizations that have joined the country's democratic life.

[Reporter] Our news director, Dario Arizmendi, would like to ask you a few questions from the helicopter in which he is overflying the city at this time.

[Arizmendi] In a communique issued on 16 March, the government said—and you have just reaffirmed it—that the CRS should release any kidnapped persons should they have any. Does the government have any indication that this clandestine group is holding any Colombian citizens.

[Villegas] We have stated a political position. We cannot establish negotiations or dialogue with guerrilla groups holding kidnapped persons. This is a general principle or position that obviously is applicable to the CRS. That is why we said: should there be any. This means that should the organization be holding any kidnapped persons, or should our intelligence agencies discover that the CRS is holding kidnapped persons, it will be impossible to begin talks until those persons are released.

[Arizmendi] It has been said that the CRS will demobilize approximately 700 guerrillas. Does the government know for sure if this number is correct?

[Villegas] To confirm an exact number of the guerrillas, we must establish direct contact with that subversive group. This can be clarified during the negotiations.

[Arizmendi] Do you think the demands made publicly by CRS spokesmen are exaggerated?

[Villegas] I do not think we should discuss this now, and much less publicly, before the dialogue process actually begins. Now, the government has set the conditions under which it will negotiate with the CRS. As long as those conditions are not met, I believe it is worthless to discuss any specific points or demands.

[Arizmendi] Have there been any contacts with ELN leaders during the past few weeks that could imply that organization may also be interested in holding talks with the government?

[Villegas] Not at all. What we have seen from those groups recently is that they are continuing to sow violence and terror throughout Colombia. The latest action was the murder of the LA OPINION director, which was an attack against the freedom of press and against the freedom of expression. That is the clear message organizations linked to the CNG have been sending and continue to send to the Colombian people.

[Arizmendi] Thank you Minister Villegas.

Bucaramanga Bishop on Escobar Letter, Peace Efforts

PA1803154093 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 0000 GMT 18 Mar 93

[Report by “24 Horas” reporter Janneth Cepeda]

[Text] On 17 March, Bucaramanga Bishop Dario Castrellon confirmed that he had received a message from Pablo Escobar and that it had been sent immediately to Prosecutor General Gustavo de Grieff.

Monsignor Castrellon also revealed the contents of a letter sent by Army of National Liberation [ELN] leader Manuel Perez in which he supports the bishop's efforts that could lead to an eventual peace dialogue.

Recent statements by Bucaramanga Bishop Dario Castrellon have suddenly transformed him into the champion of a possible rapprochement between the government, drug traffickers, and the guerrillas. On 17 March Castrellon told the “24 Horas” newscast that the conditions stipulated through Pablo Escobar's lawyers are reasonable and that the prosecutor general foresees the possibility of accepting them.

[Begin Castrellon recording] They are reasonable requests. I foster the hope that from that angle we can finally accomplish peace. [end recording]

The Catholic Church official also received a letter sent by ELN Commander Manuel Perez. But Castrellon did not want to be too explicit about the contents of the two typewritten pages.

[Begin Castrellon recording] It is true that I received a note in which Manuel Perez expresses his openness to a dialogue and his disposition to do something for peace as result of the Christian faith we have in common. [end recording]

Castrellon added that he is willing to talk either in the mountains or in the city, provided that peace can be accomplished. One thing has become quite clear. With these two contacts, Msgr. Castrellon has become a key player in a new process that is intent on bringing drug traffickers and guerrilla leaders to justice.

Security Forces Say Guerrillas Losing Strength

PA1803151093 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 0000 GMT 18 Mar 93

[Text] According to radio transmissions intercepted by government security agencies, the guerrilla movement is in serious trouble. First, because they are unable to maintain frequent radio communication with their fronts and they have little time to give orders when they can. Second, because the Army's presence has kept them far apart.

[Begin recording, Fernando Britto, director of the Administrative Department of Security] This is causing internal problems within each guerrilla group and a poor exchange of information among them. In many cases there are serious difficulties as a result of the public forces' constant action, especially that of the Army. This has also caused confusion. [end recording]

Manuel Marulanda Velez, who is said to be ill, has not been seen for some time.

[Begin Britto recording] The last two times he appeared, we noticed that it was for a very short time. This could be because of health problems, which have become increasingly evident, among other things. [end recording]

Radio conversations have also indicated that the desertion issue has the guerrillas worried. The leadership has ordered its fronts to find a solution to the problem.

[Begin Britto recording] Their actions—murdering whomever tries to desert—have prevented many from doing so. [end recording]

The intelligence agencies learned from some of the radio contacts that a front of the Revolutionary Armed Forces of Colombia operating in Uraba is holding three U.S. missionaries, whom they abducted along the Panamanian border. The guerrillas are demanding $5 million in ransom.

* Speculation on Fidel Castano Link to Pepes

93WD0411Z Santa Fe de Bogota SEMANA in Spanish 2 Mar 93 pp 22-25

[Text] **Who Are the Pepes?**

Now that Colombians have gotten over their astonishment at what the group called the Pepes (who have been hounded by Pablo Escobar) did during their first few weeks in action, they are starting to ask themselves who might be behind this new organization that has decided to declare war on the head of the Medellin Cartel. From the outset, speculation was wide-ranging. Some contended that the Pepes had come from the so-called Itagui group, which is headed by the Moncada and Galeano families, the first ones affected by the executions that, according to investigations by the authorities, were carried out in La Catedral Prison some weeks before Escobar escaped. Other sources asserted that it was a group of former members of the Medellin Cartel who are getting support from Escobar's main enemies: the chiefs of the Cali Cartel. Some have even claimed that members of the National Police could be behind the actions of the Pepes, as the Medellin Cartel has killed hundreds of its agents.

Confusion spread when what was initially considered a second group organized to combat Pablo Escobar, Free Colombia, appeared. Now, however, intelligence work has revealed that this organization is probably more like the civil arm of the Pepes, a front designed to enlist support from businessmen and other sectors that are not involved in drug trafficking but that are equally interested in doing away with Escobar.

Nevertheless, and although there could be some truth to each of these theories, last week the authorities seemed to have confirmed a story to the effect that an old and well-known figure in the drug war, Fidel Castano, the so-called Colombian Rambo, was behind the Pepes.

This mysterious individual (see box) became famous in the late 1980's by organizing and heading a paramilitary army that fought to the death with the FARC [Revolutionary Armed Forces of Colombia] and the EPL [Popular Liberation Army] in northeastern Antioquia, Cordoba, and Uraba and that in 1991, amid the peace process that led to most of the EPL rejoining civilian life, distributed thousands of hectares to landless peasants in western Cordoba. He has now reappeared as the gray eminence of the Pepes organization.

Why Castano

It is not easy to discuss this issue with top-level officials of government security and investigative agencies. By and large, they avoid it and respond evasively because they feel that this is an "extremely delicate" matter. The stories can be confirmed and elaborated on among mid-level officials in these agencies, however. According to them, over the past two years Castano had been drifting away from his old friend Pablo Escobar for various reasons.

The first has to do with the fact that Castano and many of his friends criticized Escobar and his men for turning themselves in and agreeing to stand trial in May 1991. Castano felt that their surrender scuttled the possibility of broader negotiations with the government. Castano thought that since he and other paramilitary chiefs, like the ones in the Magdalena Medio, had done their bit for the peace process that demobilized the M-19 and the EPL, they could argue that they had acquired some degree of political status, enough to achieve a negotiated settlement not only to the guerrilla conflict but also to the conflict among the paramilitary groups and their allies in drug trafficking.

The second reason for the feud between Castano and Escobar was the war that people from the Medellin Cartel started against the self-defense groups in the Magdalena Medio, especially against Henry Perez, a good friend of Castano.

The third and decisive reason for the dispute developed when Fernando Galeano was executed in La Catedral. Escobar's men had accused him of having betrayed "the boss" by failing to pay the "dues" that the cartel chief charged its members. Galeano's argument was that he had sacrificed himself by surrendering, thanks to which they were able to continue exporting cocaine. "Galeano was one of the Medellin people that Castano liked the most; they really were friends," one source told SEMANA.

The authorities have information that after the death of Moncada, Galeano, and other colonels in the cartel, their families sought double protection, first from the Cali Cartel, which was presumably pleased about the alliance, and then from Fidel Castano, who also offered support.

Support or Control

As for the extent to which Castano and his men are cooperating with the Pepes, not all of the sources we consulted agree. A few feel that the support is mainly financial. However, most of the officials we consulted, who at first also thought that the support was of this nature, feel that more recent information points to an increasingly prominent role for Castano as the brains behind the Pepes.

An intelligence officer who has analyzed the most recent reports on the activities of the Pepes told SEMANA that he was convinced that the operations over the past few weeks, particularly the blowing up and burning down of the sumptuous estates owned by Escobar and his followers in various regions of Antioquia, "can only be the work of people with some experience in handling weapons and explosives and with some training in so-called commando operations."

The same source believes that these operations were conducted by people very close to Castano, even his own brother, who has always been in charge of the military affairs of the Colombian Rambo's organization. In this effort he is presumably receiving support from a brother of Fernando Galeano, who had traditionally complemented his brother's knowledge of cocaine routes and laboratory operations with his own know-how in the military arena. In short, "Castano's most heavily armed wing and the Galeanos' most heavily armed wing seem to be the core of the Pepes," according to this official's intelligence data.

What Are They After?

In spite of the disagreements among the various sources about certain details of the Fidel Castano-Pepes connection, all of the government agencies that have investigated the matter agree on the following: the identical goals that Castano and his allies are pursuing by supporting the Pepes.

"Over the past three years," one of the sources told SEMANA, "Castano has undergone a very interesting transition from one of the biggest warmongers to a champion of peace, his own special kind of peace of course."

Indeed, all indications are that this man thinks that, as in the past, when he believed that the only way to achieve peace was to fight the guerrillas to the death, today the road to peace entails eliminating Escobar and his organization.

Many other nationwide drug-trafficking groups agree with Castano's approach. "The fact is that at times it would seem that a syndicate of drug traffickers has formed against Escobar; we know how it was born but not where it will end. We suspect, though, that with each passing day it is bringing in more minor groups and cartels from the Aburra Valley itself and from other regions of the country," one of the sources told SEMANA.

Many of the members of this syndicate, beginning with Castano himself, are thinking, and have so told the authorities, that their moves against Escobar could enable all of them to secure legal benefits under new legislation regarding state's evidence. These circles were pleased by the recent decree that made it possible for people like Castano, who have already been convicted, to cooperate with the justice system and avail themselves of a wide range of benefits such as reduction of sentences and even immunity. Many people linked to drug trafficking and paramilitary groups believe that they and the authorities can negotiate a deal that would benefit both sides: they provide information to help dismantle the Medellin Cartel and, in return, avail themselves of the benefits under the state's evidence decrees.

The problem here is that the authorities are not altogether convinced that the cooperation that the Pepes and their allies have provided so far has been all that useful. As an intelligence officer told SEMANA: "So far the actions of the Pepes have been marked more by their showiness, by the destruction of properties that Escobar and his boys had abandoned months before, than by information and tips leading to the capture of the cartel chief. And such terrorist actions, at least judicially speaking, cannot be considered cooperation."

[Box, pp 24-25]

A Mysterious Man

Few people have changed as much in recent years as Fidel Castano. His fierce anticommunism has moderated. So has his hostility to the oligarchy. At age 40, he has fought so many battles and been left with so many scars that he now looks at life somewhat more calmly.

He is an exceptionally good-looking, athletic man. An expert in the martial arts, he has mastered every weapon. His speech is pleasant and even cultured. The image of him as a Pancho Villa of the Sinu is not in keeping with the facts.

He left home at age 14 because his father was very high-handed. He went to Guyana, where he worked for three years in the diamond mines. He returned a wealthy man and went around to all of the Antioquia town fairs. He bought and sold everything, from animals to mines. His fortune grew.

Today it is huge. He does not like to be very specific about how he made it all, but he does acknowledge that he was involved in the cocaine business from 1975 to 1981. At present he considers himself retired and all squared away with the justice system as far as drug trafficking is concerned. A federal judge sentenced him to 20 years for the massacre on the Honduras and La Negra estates in Uraba. To clear his name, after a surprising negotiation with his archenemies in the EPL, he dismantled his army and gave away land, while the bulk of the EPL joined civilian life in 1990.

He has varying opinions of his former business partners. He expresses fondness for the Ochoas. He cites major disagreements with Rodriguez Gacha over the methods used in his anticommunist crusade. And he has an odd combination of ill will and respect for Pablo Escobar, even though he is obsessed with him today.

After he got out of drug trafficking, he went to live in Israel. He is a great admirer of that country. He speaks knowledgeably about the kibbutzim and the professionalism of the Israeli Army. He currently owns a house in Tel Aviv.

From Israel he went to Paris. There began his French period. He became an art dealer between New York and Paris and boasts of having one of the finest collections of works by Botero. Paintings by the Colombian artist hang on the walls of the luxury apartment that he has in an exclusive neighborhood of the French capital, as well as in a 3,400 square meter mansion he owns in northern Antioquia. Some visitors say that when Castano comes to trust his guests, he shows them a snapshot of himself with Salvador Dali.

When he leaves the country, he patronizes only five-star hotels and restaurants. On his many estates in Colombia, in contrast, he lives the austere life of a traditional Antioquia native. Today he is said to own around 50,000 hectares in the Sinu Valley, which contains some of the best land in the country. In addition, he has extensive holdings in Uraba, elsewhere in Antioquia, and in Acandi in the department of Choco. In Amalfi, his native region, he is an idol.

His previously fierce anticommunism had to do with an incident involving his family. The FARC kidnapped his father in the mid-1970's and demanded a 300 million peso ransom. Castano advocated not paying a cent. His family (11 brothers and sisters) did not agree and negotiated a 150 million peso payment to the guerrillas. The FARC accepted the money as an advance, adding that the other half was missing. At that point the negotiations stalled. His father, who had been opposed to the ransom payment from the outset, tried to commit suicide. Although he was tied up, he ran headlong into a tree trunk. He injured himself badly, and his kidnappers finished him off.

It was at that point that Fidel Castano's war to the death with the guerrillas began. Eight of his 11 brothers and sisters were slain during the feud, including his two sisters, who were studying at Antioquia University.

But not just his family died in combat. Castano formed a paramilitary army that fought the guerrillas to a tough draw for years. They started calling him "Rambo" or the Bolivar of the Sinu. His legend began to grow. He vanished a few years ago but has now reappeared, having been identified as the brains behind the Pepes movement.

Paraguay

Electoral Code Amendment Bill Withdrawn From Congress

PY1703215493 Asuncion ULTIMA HORA in Spanish 17 Mar 93 p 4

[Excerpts] Note No. 531, signed by President Andres Rodriguez and Interior Minister Hugo Estigarribia, was submitted this morning to Congress. Through this note, the electoral code amendment bill was partially withdrawn. Moreover, the Senate this morning decided to return the bill to the commission for further study before being resubmitted. [passage omitted]

The partial withdrawal refers to Articles 161 and 162 of the proposed version of the electoral code. The reason is obvious: No political organization has proposed or announced that it wants to use the simultaneous double vote [lemas electoral system] for the general elections this year. [passage omitted]

New Alto Parana Government Delegate Assumes Duties

PY1803011893 Asuncion ABC COLOR in Spanish 10 Mar 93 p 9

[Excerpt] Ciudad del Este—With the disapproval of the presidents of the Colorado Party precincts in Alto Parana, and before the presence of only one departmental official, retired General Gregorio Trifon Lopez Prado yesterday assumed his post as government delegate for Alto Parana Department. Lopez Prado replaces Francisco Garay Lezcano, who resigned over disagreements with local Police Inspector Jose Manuel Maldonado, who was also relieved from his post. The outgoing government delegate did not attend the ceremony either.

The oath of office for the new Alto Parana government delegate was administered last night in Ciudad del Este, capital of Alto Parana Department, during a ceremony headed by Interior Minister Hugo Estigarribia Elizeche. Through a decree, the executive branch appointed retired Gen. Gregorio Lopez Prado the new Alto Parana Government delegate. He replaces Francisco Garay Lezcano. [passage omitted]

'Credibility Break' Reported Within Mercosur

PY1703235093 Asuncion ULTIMA HORA in Spanish 17 Mar 93 p 10

[Excerpt] This morning Feprinco [Federation for Production, Industry, and Trade] notified the labor vice minister of its decision to walk our of Mercosur [Common Market of the South] negotiations while Argentina's statistical tax remains in force. The Paraguayan Industrial Union [UIP] and the Paraguayan Rural Association [ARP] have endorsed the decision.

Industry Under Secretary Dr. Ruben Fadlala this morning admitted that there is a credibility "break" in the Mercosur integration project, adding that the project has been "dampened" after the representatives of private local industry decided to no longer attend the round of negotiations of project subgroups. This decision follows the arbitrary Argentine measure. Fadlala said that the project is in a "worrisome" situation.

The major entrepreneurial areas that make up Feprinco and the UIP have asked the official coordinating authorities to withdraw the Paraguayan delegation from subgroup talks until the Menem administration lifts the extra tariffs that restrict the sale of Paraguayan products in the Argentine market. This position was also supported by the influential ARP.

"We currently enjoy the credibility of international financial agencies, but this credibility can suffer a break that would affect the process," Fadlala said.

He noted that the situation is "worrisome," adding that it could produce a negative precedent in the integration efforts by Latin American countries. "We feel that the project, the efforts by those who pushed this initiative, have been undermined by an arbitrary, unhappy Argentine measure," he said.

He added that the government cannot force any group "to join a process that we ourselves have described as the least appropriate path." He said that this decision, which is the exclusive responsibility of entrepreneurial associations, seeks to preserve national interests. He thus clarified that this is not just a whim of the Paraguayan delegation.

He warned that one of the immediate consequences of the long unresolved impasse with Argentina will be "a deceleration of the enthusiasm" of entrepreneurs.

The entrepreneurs decided to walk out of Mercosur negotiations after Argentina decided to maintain the 10-percent statistical tax on Paraguayan exports following the latest Mercosur meeting in Montevideo, Uruguay. [passage omitted]

'Illegal' Passports Said Being Sold to Foreigners

PY1803002993 Asuncion ULTIMA HORA in Spanish 17 Mar 93 p 26

[Text] During a search conducted at the Foreign Ministry yesterday, Judge Angel Barchini with Deputy Francisco Jose de Vargas and Senator Carlos Romero Pereira discovered that hundreds of illegal passports were being sold to foreigners. This fact is directly related to the shady deals discovered last week at the Immigration Department involving residence papers.

People who do not belong to the Foreign Ministry, high- and medium-level officials, including military officers, reportedly are involved in this illegal business that produces—according to ministerial sources—thousands of dollars monthly, on which tax payments are evaded.

Through these unscrupulous procedures, international terrorists are moving around the world with Paraguayan diplomatic passports such as in the case of Arab assassin Abul Nidal, who was detained abroad and whose documents were sent back to the National Controller's Office for the appropriate investigations, although nothing has been reported so far.

According to Foreign Ministry internal auditor Ida de Paredes, several Foreign Ministry employees already have been investigated for presumed falsification of passports. She also admitted to the judge the existence of a number of similar irregularities.

Moreover, Maria Carmen Gutierrez Lezcano, in charge of legalizations at the Foreign Ministry, stated that she rejected irregular documents more than once. She even mentioned the case of a "proxy," a Colonel Martinez, from whom she rejected documents for Palestinians legalized by Nicolas Zar, a former consul abroad, some time after he was dismissed from his post.

Foreign Ministry officials reported that the proxies who operate at the ministry are the same who conduct the deals at the Immigration Department. The existence of a super apparatus established for enrichment at the cost of the state is thus uncovered.

The judge confiscated certain documents and reports on the investigations, based on which he will begin a judicial action. The first arrests in this case reportedly will be known within the next few hours.

Deputy de Vargas said a connection possibly exists between Maria Ignacia de Guillen, the Foreign Ministry, Police Inspector Julio Cesar Guillen, who is accused of illegal sales of residence papers to foreigners, and Roberto Benitez, who is in charge of passports at the Foreign Ministry and reportedly is a relative of the others.

The Foreign Ministry employees told Judge Barchini that the operation usually begins at the consulates that grant visas and then moves to the Immigration Department, where permanent residence papers are granted to foreigners illegally, and, finally, false passports are granted at the Foreign Ministry. Everything is done with the payment of considerable amounts of dollars in each department.

Weapons Reportedly Bought for South African Army

PY1703215193 Asuncion ABC COLOR in Spanish 14 Mar 93 p 16

[Text] The military authorities' participation in weapons smuggling was not limited to purchasing weapons for the Islamic Republic of Iran.

According to documents in our possession, operations also were conducted to purchase weapons to equip the South African Army.

One of the documents, dated 6 January 1987, was sent to General Fretes Davalos—then Armed Forces Joint Staff chief—by the South African military attache to Paraguay. The document calls for the drafting of a final destination certificate to conclude the operation for the purchase of Beretta pistols.

The document—which is classified secret and signed by Colonel W.J. Le Crerar, the South African military attache to Paraguay—explains that "it will be highly appreciated by my superiors if the required document (the final destination certificate) is drafted as soon as possible because I have been told that the matter is urgent."

The document states that the order's value totals 429,860 Deutsche marks and the commission is 3.5 percent of the FOB [free on board] value of each order, as usual.

In another document, dated 16 June 1987, the South African military attache again asks Fretes Davalos to prepare the final destination certificate for "reinforcers."

"Reinforcers" are spare parts used in large-caliber weapons to increase the weapons' range.

The note sent by Le Crerar points out that the order is for $414,000 and reiterates the urgency of the South African Government to have the document.

Among the other documents found on the operations to purchase war materiel for South Africa there is a certificate in English (which is published on this page) signed by Gen. Alejandro Fretes Davalos addressed to whom it may concern stating that the 45,000 Booster M 125 C1, commonly known as mines, were purchased from the Greek Powder and Cartridge Company, Greece, for the exclusive use of the Armed Forces of the Republic of Paraguay.

The document says that such materiel will not be reexported, but military sources stated that the mines never came to the country.

Another document that has no signature, but which appears to be a form prepared by Gen. Fretes Davalos because his name and rank is printed at the bottom of the page, certifies another purchase reportedly made from the same Greek company.

The certification letter has a list of 12 items with their respective parts and characteristics.

Item 1 lists the purchase of 1,000 pistols, 0.22 LR model 71, with plastic handle and a clip, and an additional clip with cleaning accessories.

Item 2 lists 2,000 pistols, 7.65-caliber model 81BB, with wooden handle and a clip, and an additional clip with cleaning accessories.

Item 3 lists the purchase of 3,000 pistols, 9-mm short, model 84BB, with wooden handle and a clip, and an additional clip with cleaning accessories.

Item 4 lists the purchase of 2,000 pistols, 9-mm Parabellum model 92 F, with wooden handle and a clip, and an additional clip with cleaning accessories.

Items 5 through 8 list the percentages of the spare parts for each pistol. For example, for item 1 the purchase of spare parts was 1 percent; for items 2 and 3 the spare parts were 2 percent; and for item 4 the spare parts were 10 percent, all from the same Greek company.

The document continues to list the purchase of 1,000 complete cartridges for 0.22, model 71; 500 complete cartridges for 7.65- caliber, model 81BB; 20 complete cartridges for 9-mm short, model 1934; and 300 units of cylinders for pistol model 71, 15-cm-long cylinders.

This newspaper has requested information from the U.S. and German Embassies on the purchase of war materiel reportedly made by Paraguay in the 1980's from those countries.

According to published information, the U.S. State Department was aware of the arms trafficking to equip the Iranian Army.

So far we have not received any official information on this issue.

Tomorrow we will ask the South African Embassy for information on the operations reportedly carried out to buy weapons for that country.

Peru

Police Arrest 12 Shining Path Members; Seize Materiel

PA1703165693 Lima Global de Television Network in Spanish 0000 GMT 17 Mar

[Report by Augusto Maldonado]

[Text] The National Counterterrorism Directorate presented 12 members of a Shining Path annihilation command in Puno on 16 March. Two former Peruvian Army sergeants who were serving in the 4th Infantry Division in Puno are among the 12 rebels.

The former sergeants were in charge of collecting classified information from the high military commands as well as weapons and explosives from the military base where they were stationed.

The National Police also displayed a considerable amount of subversive materiel, including explosives, dynamite cartridges, slow action fuses, subversive propaganda, and combat weapons.

The Shining Path cell was captured following thorough investigations in Melgar and Azangaro Provinces, which have been declared in a state of emergency. The National Police also reported that it is constantly patrolling provinces in the Puno region to prevent further subversive actions.

The captured rebels are: Eleuterio Ramos Vilca, 24; Arturo Gavino Ricardo Cespedes Valero, 47; Pedro Leonardo Quispe Quinche, 27; Pedro Andres Huallpa Luque, 32; Runualdo Quispe Valeriano, 22; Doroteo Huanca Pocohuanca, 41; Froilan Alejandro Chino Montesino, 36; Ruben Victor Tutacano Solorzano, 25; Leon Eleuterio Pacha Tutacano, 20; Ernesto Francisco Turpo Turpo, 21; and former sergeants of the Peruvian Army Miguel Quispe Turpo, 21, and Pablo Herpanoca Garcia, 19.

Uruguay

* Presidential Hopeful Astori Favors Debt Payments

93SM0156B Montevideo BUSQUEDA in Spanish 21 Jan 93 p 7

[Article: "Danilo Astori Follows Vazquez's Example and Moves Toward the Center"]

[Text] With the race to select the Broad Front's presidential candidate on the horizon, and perceiving that his main rival in this contest, Tabare Vazquez, is increasingly distancing himself from the left's historic radical positions, Senator Danilo Astori seems to have decided to take the same route as the Montevideo mayor, and is no longer issuing the drastic pronouncements he made in the past.

Astori's strategy, which gathered strength after the 13 December referendum, may be caused by a belief that he needs to moderate his line in order to start to have an impact on non-Broad Front voters, with whom Vazquez has an overwhelming advantage, according to the opinion polls.

This week Astori made statements to that effect, which drew rebukes from radical sectors of the Broad Front. On Monday, 18 January Astori told EL OBSERVADOR ECONOMICO that the foreign debt must be paid, that Uruguay should not break from the International Monetary Fund, that it needs to reach "agreements" with Sanguinetti supporters in order to move ahead with political actions that "may produce positive results in Uruguay right now," and that the coalition should "review everything" it had proposed on the financial sector in the past.

Catastrophe

On 13 November 1987, in an article in the weekly publication BRECHA, Astori commented on statements by Spain's President Felipe Gonzalez, and said that the European leader "must be aware that major creditors like Citibank have known for some time that the (foreign) debt will never have to be paid, but they still keep trying to collect interest payments and...they have amassed financial reserves that will shield them from a catastrophe."

Astori said: "It is hard to imagine how a country may be worse off if it does not pay $300 or $400 million a year, than if it has to subject its people to permanent poverty so it can come up with this money to pay the big multinational banks."

"If this is not a catastrophe, what will be the catastrophe that Felipe Gonzalez predicts for us if we take a position of greater independence and dignity?" queried Astori, at that time dean of the Faculty of Economic Sciences.

In BRECHA, Astori systematically and severely criticized the policy of Julio Sanguinetti's administration. In that article he said Sanguinetti had adopted the "modernization" line which, among other things, implied "dismantling the state," "deepening our subjection to foreign influences, and a growing loss of our national identity."

On 3 March 1989 in another article in BRECHA, Astori, speaking of the banking system, said that "it has never been so clear, for both positive and negative reasons, that the only sensible and viable route for Uruguay in this area is a takeover by the state."

"Incredible"

Astori's statements this week have drawn a reaction from the coalition's "radical" sectors. Tupamaro leader Jorge Quartino said that "it is incredible" and "disturbing" that the senator says we need to pay the foreign debt. He said that the coalition's government plan for 1989 "established as an objective the permanent nonpayment of the foreign debt."

Hugo Cores, a PVP [Party for the Victory of the People] deputy, also spoke of Astori's comments about reaching agreements with the Batllista Forum. Cores noted that this sector of the Colorado Party "demonstrated" between 1985 and 1989 the "essence" of its concept of the nation, its relationship with the International Monetary Fund and the multinationals, and its positions on wages, on the problems of the state, and state reforms.

"I believe that the Broad Front has some political education to do in which memory and a certain rigorousness must take precedence over political expediency," added Cores.

On 10 December Vazquez proposed that the coalition work out with other parties a "major national program and pledge to support this program after the elections, no matter what party wins," (BUSQUEDA No. 668).

Enrique Rubio, director of the Artigas Group, feels that both Vazquez and Astori have raised points for the citizens to consider after the referendum.

"Both men have had very strong showings at different times and places. Vazquez appeared to have more strength on 1 October, and Astori had a greater impact in the debates prior to 13 December," added Rubio.

He also indicated that both leaders continue to have "increasing numbers of points in common," especially as Astori "has modified his tone, and is now more inclined to take a consensus approach."

The Presidency

After the 13 December referendum, Astori had another clash with the "radicals" when he told the Political Bureau that there were "no winners and no losers" in the referendum.

Several days later in a meeting with Liber Seregni, President Luis A. Lacalle said he had been defeated and that the Broad Front had emerged as the major winner. This presidential admission was used by the "radical" leaders to refute Astori's statement and to maintain that the coalition should take advantage of the election results.

This week the daily LA REPUBLICA reported that Seregni would offer Astori the presidency of the coalition. On the next day Seregni denied that report, saying that such a decision would depend on the member organizations of the Broad Front.

Nevertheless, after the publication of that report, some "radical" leaders, including Cores and Eduardo Rubio of the 26 March group, said they would prefer that Seregni continue to hold that post. Vazquez also said that Seregni's presence "is vital" in the coalition as a stabilizing and unifying figure.

* PS Seeks 'Defeat' of Broad Front Radicals

93SM0156A Montevideo BUSQUEDA in Spanish
4 Feb 93 p 5

[Article: "PS Strategy To Defeat Broad Front 'Radicals' and Define Programs and Candidates This Year"]

[Text] The PS [Socialist Party] plans to quickly defeat the "radical" sectors in the political power struggle within the Broad Front, so that before the end of the year the "moderate" bloc will be able to define the presidential candidate and a new government program, some leaders who last week took part in preparing the latest strategic guidelines told BUSQUEDA.

Convinced that the Broad Front has a chance to win the 1994 election if it runs at the center of the political spectrum, the socialists are betting on the presidential candidacy of Mayor Tabare Vazquez and on a modernized platform that will enable them to form alliances with other political groups.

Those views, which are shared by the majority of Broad Front sectors, clash with the views of a "radical" minority which has enough power to block initiatives in the coalition's leadership organizations.

Determined to eliminate this obstacle, the PS has decided to foster a reorganization of the party's decision-making organs, with each group's representation to depend on its election results; this will reduce the influence of the "radical" sectors.

In the meantime, the socialists have begun to prepare for an internal battle in the Broad Front, and they propose to call upon their allies in the grass-roots committees to "change the correlation of political representation, which now favors the radicals," said municipal official and general vice secretary of the PS, Jose Tognola.

"We are not going to abandon the union space, but we are going to promote the socialist presence in grass-roots organizations, for this is the year the future of the left in Uruguay will be determined," said this leader, adding: "This does not mean trying to rout the radicals, but rather promoting discussions within the Broad Front."

Excited by the possibility that the Broad Front might take over the government in 1994, a member of the PS Executive Committee, Luis Mardones, a week ago said that the reorganization is "vital" in overcoming an internal "catastrophic gridlock" situation. "No one can promote their own programs now, but we all have a certain ability to keep other groups' programs from getting anywhere," he said, noting that the future presidential candidate will need "a cohesive, united, solid, and modern Broad Front," (BUSQUEDA No. 675).

Socialist Deputy Guillermo Alvarez told BUSQUEDA that his political sector does not want to force "a breakaway of the radicals" from the Broad Front, but he insisted on the need to reassert the coalition's "political leadership."

Alvarez said the Broad Front's "structure" must conform to "strategic lines" instead of "dealing with minor issues and slowing down the Broad Front's progress."

"We have no intention of dumping anyone, for our view of the unity of the left still prevails," said Alvarez, but he noted that after the reorganization "the Broad Front's members must comply" with the decisions that are adopted.

The legislator indicated that "before the end of the year, by October at the latest, the reorganization must be defined, along with the program and the Broad Front's presidential candidate."

"As things stand now, no one can be a candidate," said Alvarez, paraphrasing Vazquez who on Monday, 25 January, made his presidential candidacy contingent upon the cessation of challenges from the "radical" sectors.

On that day the socialist leader admitted that those groups are undermining the structure," and he proposed holding a plebiscite in the Broad Front if no agreement is reached on the reorganization.

After those statements, a number of socialist leaders held informal meetings to assess the political situation and work out a strategy.

Sources in this sector said that the socialist leadership favors launching an offensive to reduce the "radicals to a very minor role," although without provoking an open split. Still, they felt that the intensity of the internal power struggle might produce a break as an unsought effect.

On 17 December Socialist Senator Jose Korzeniak told the Israeli weekly AURORA that the Broad Front decided to admit the Tupamaros in 1985; he said that "given their history and their views, if they were still isolated now they would probably be tossing bombs."

Support for Vazquez

The PS Executive Board met on Thursday, 28 January to back the statements by Vazquez and support his decision not to return to the Broad Front's Political Bureau to explain the circumstances surrounding the removal of four municipal officials in August.

The statement approved also expressed "its firmest support for Comrade Liber Seregni, whose performance in the Broad Front's leadership is for the socialists not only a guarantee of Broad Front unity, but also a source of pride."

"Therefore, the PS hopes that Comrade Seregni will continue to serve as president of the Broad Front," the statement concluded.

Participants in the meeting said that keeping Seregni as president of the coalition was considered "essential" in order to avoid introducing the question of his successor right in the middle of the battle against the "radicals."

* Broad Front Radicals Discuss Government Plan

93SM0156C Montevideo BUSQUEDA in Spanish 7 Jan 93 p 7

[Article: "Front's Radical Sectors Ready to Fight in 1993 to Prevent 'Dilution' of the Government Plan"]

[Text] Convinced that they have the backing of the majority of the members, the Broad Front's "radical" sectors are this year getting ready to wage an internal battle against the views of the "moderate" groups and against some major coalition leaders who are attempting to modify the current government plan in order to negotiate with other political groups in preparation for the 1994 elections.

"Right now, those who say that we must dilute the government plan for negotiations before the 1994 elections do not have sufficient support in the coalition to defend their positions within Broad Front organizations," the leader of MLN-T [National Liberation Movement-Tupamaros], Jorge Quartino, told BUSQUEDA.

"If the position of some groups in the Front does not change, nothing suggests that their position will prevail, for we are sure that the members of the coordinating groups are not in agreement about watering down the program," he added.

Quartino said that the idea of "diluting" the government plan is backed by some major leaders of the Broad Front, Tabare Vazquez, Danilo Astori, and Liber Seregni, who are "idolized by the members." He said, though, that the members "do not agree" with the positions of those leaders on this issue, which could generate "a difficult situation" in the coalition.

On 26 December the mayor of Montevideo, Tabare Vazquez, speaking before the Executive Board of the PS [Socialist Party], agreed to promote a reformulation of the Broad Front program. "I believe it is essential that coalition governments be based on a common program accepted in advance by different political forces, without one party playing a leadership or hegemonic role, but with an agreement that no matter who ends up in the government, they will support and move ahead with this government program. I believe that governments, political alliances, and coalition governments should not do this after winning office, but before," said Vazquez last July (BUSQUEDA No. 647).

Astori expressed his agreement about developing a government plan with the Broad Front for the 1995-2000 period and creating alliances "on the basis of that program," but he disagreed with Vazquez about "developing a prior program with other groups before the election."

Water and Wine

"The programmatic deepening of the Broad Front implies recognizing change, but not altering the substantive accords of the Broad Front as a revolutionary, democratic, national, anti-imperialist force that is committed to the people's interests," said MPP [Popular Participation Movement] Deputy Hugo Cores.

In statements to the publication CARTA POPULAR, the official organ of the PCU [Communist Party of Uruguay], Cores said: "It would not be right to dilute the program in order to please other forces;... one of the risks in the alliance strategy is that the policy of extending hands may end up by our becoming a copy of our potential allies."

"We must not mix water with wine. When the wine is finished, if we are still thirsty, then we drink water. But we must not put water in the wine from the start and invite our guests to partake of something that is neither wine nor water," said Cores.

In the meantime, Marina Arismendi, an official of the PCU's General Secretariat, said that "there are those who say that rather than govern with the current program, it is better that we not govern, and others who say that we are going to end up doing what others allow us to do; I think the discussion must not be reduced to this."

"In analyzing the program reform we must learn from the experience of 13 December and observe the reality of the next two years. A Broad Front government will affect interests that until now had not been touched, and the program's implementation will depend on all the people who are represented and who support that program," said Arismendi.

Eduardo Rubio, leader of 26M (26 March Movement), said his group will fight to ensure that the resolutions of the Broad Front's Second Congress are respected, which "clearly stated that we must deepen our program, get into the government, and from that position reach out to seek agreements with all political forces possible."

Rubio, who said that the program must be "antioligarchical and anti-imperialist," feels that "the cart cannot be placed before the horse; we must capitalize on the Broad Front's growing leadership and not negotiate the program with forces whose weight in two years may be uncertain."

* Unemployment Rate Shows Slight Decrease

93SM0156D Montevideo BUSQUEDA in Spanish 7 Jan 93 p 19

[Article: "Slight November Downturn in Unemployment Confirms Labor Market Stability"]

[Text] Labor market indicators exhibited stability and a slight improvement during the first 11 months of 1992; after the data released last week on changes in real wages, on Monday, 4 January the results of the ongoing household survey conducted by the INE [National Statistics Institute] were released.

The unemployment rate (percentage of unemployed persons in relation to the economically active population) was 8.31 percent, while the three former reports had been over 8.4 percent. During the same quarter of 1991, this rate was 8.51 percent.

Unemployment in the quarter ending in November breaks down as follows: 5.9 percent are actual unemployed workers; 2.09 percent are people seeking work for the first time; and 0.32 percent are receiving unemployment insurance benefits.

Last month's slight downturn came because of a reduction (- 0.42 percent) in the number of persons actually unemployed, while there was a slight rise in the number seeking work without prior job experience (+ 0.27 percent).

The construction sector has the highest unemployment levels (9.2 percent); manufacturing had a 7.7 percent unemployment rate; and commerce, 7.5 percent. The manufacturing sector had the largest drop in unemployment during this quarter; its current rate of 7.7 percent contrasts with 8.8 percent recorded during the preceding quarter, and 8 percent during the two quarters preceding that.

The employment rate (percentage of persons with full-time jobs in relation to the working age population) exhibited a slight upturn from 54.43 percent to 55.49 percent. With the exception of the July-September 1991 quarter (55.84 percent), this is the highest since October 1987 (55.80 percent). This employment rate breaks down as: 37.4 percent in the public sector; 23.7 percent in manufacturing; 19.3 percent in commerce; 7.7 percent in banking, finance, and business services; 6.9 percent in transportation and communications; 4 percent in construction; and 1 percent in other sectors.

The activity rate (percentage of the economically active population in relation to the working age population) showed a gain in the last quarter measured (from 59.46 percent to 60.51 percent). During the same quarter of the preceding year, this rate was 60.25 percent.

Since the present administration took office, the unemployment rate has undergone some significant changes. During the first quarter of last year it reached its highest level (11.34 percent). But at the present time this rate (8.31 percent) is roughly the same as in February 1990 (8.29 percent).

Venezuela

Defense Minister Calls for Calm in Face of 'Rumors'

PA1803023493 Caracas Venezolana de Television Network in Spanish 0001 GMT 18 Mar 93

["Message to the country" by Defense Minister Division General Ivan Dario Jimenez Sanchez in Caracas—live or recorded]

[Text] (?Venezuelan), compatriots: I find it appropriate to address you on behalf of the Executive Branch in order to express in a clear, emphatic, and vigorous manner, certain viewpoints regarding the situation existing in our country. In the past few days, through telephone calls and other means of communication, an irresponsible attempt has been made to create an artificial atmosphere through rumors. Reports that verge even on sadism, have been circulated for the sole purpose of disturbing the Venezuelan people's peace of mind. There have been reports of alleged attacks, and even of fictitious uprisings. This campaign of rumors is part of the destabilizing activities of anarchic groups, which are nostalgic for coups d'etat and for government regimes that are not in line with the ideals of freedom.

Venezuelans, do not repeat rumors. They hurt us all. That campaign not only seeks to create a false climate of institutional instability; it also causes great harm to the Venezuelan economy and to the development plans that generate social well-being. Our image abroad is diminished, and a disastrous state of confusion is created in the Venezuelan people who, in view of the persistent rumors, feel impelled to engage in feverish shopping, and are obliged to live in a state of permanent anxiety and unrest. This should not be.

With a full sense of responsibility, in my capacity as defense minister and in an unfailing compliance with my duty, I wish to assure all Venezuelans and foreigners that the country is calm. Despite the minor outbreaks of disorder in some cities, and despite rumors that exaggerate and distort the current situation, there is no real reason for fear or disquiet. The country is in a state of normalcy, and its Armed Forces are united and ready to preserve the state of law and the prevalence of democratic institutions.

The campaign of rumors will not manage to cause confusion within the Armed Forces. We realize that Venezuela is undergoing a difficult, but inevitable process of social adjustment. The country is changing in all areas. We are no longer a country of waste and easy wealth. We are evolving into a society firmly rooted in work, discipline, and creative effort.

Compatriots, we are at the doorway of an electoral process that will permit all Venezuelans to express their opinion as to who should be the next president of Venezuela, in a free and sovereign manner, as has been the custom in the past three decades. The Armed Forces, as they have done throughout the democratic period, are preparing to offer their contribution to that civic exercise, which nourishes and legitimizes our democratic system every five years.

Venezuelans: I urge you not to listen to the rumors propagated by a destabilizing, anarchic, and manipulative minority, who are seeking, not the national well-being, but to satisfy ulterior ambitions.

The Armed Forces guarantee the maintenance of public order and democratic stability. There is no reason for concern. We in the Armed Forces guarantee the normalcy of the process that will lead to the elections in December, respect for the people's will expressed in those elections, and the consolidation of the democratic system, the only system that allows for the progress and well-being of all Venezuelans and of those who, although born elsewhere, have made Venezuela their homeland.

Compatriots, for the good of the country, of the Venezuelan family, and of all that this family encompasses, I urge you to assume a responsible, mature, and exemplary civic attitude. When faced with rumors, verify with intelligence what you are told. Do not be deceived or act on the basis of rumor, and above all, do not be accomplices to the dissemination of such rumors. Good evening.

Violence Erupts for Third Day in Caracas, Other Cities

PA1703184793 Paris AFP in Spanish 1752 GMT 17 Mar 93

[Text] Caracas, 17 Mar (AFP)—Student violence erupted in Caracas on 17 March for the third consecutive day when Fermin Toro School students clashed with police, witnesses told reporters at 1350 (1750 GMT).

Violence was also reported on the morning of 17 March in Guarenas, a bedroom community located 25 km east of Caracas. A supermarket was looted during the protest. In addition, demonstrators blocked the highway linking Caracas with the country's eastern area. Other violent incidents occurred in Villa de Cura, 80 km southeast of Caracas, but police had the situation under control around noon.

Government Blames Subversives for Disturbances

PA180300493 Mexico City NOTIMEX in Spanish 2336 GMT 17 Mar 93

[Text] Caracas, 17 Mar (NOTIMEX)—The Venezuelan Government accused subversive groups for the wave of student disturbances that have affected the country over the last two weeks and did not rule out the possibility of suspending classes.

New demonstrations were staged on 17 March in Caracas where approximately 50 masked persons clashed with the police in front of the Fermin Toro School, near the Government Palace, which forced stores to close and a strong security operation.

Police fired bird shot and tear gas to disperse demonstrators.

Earlier, student demonstrations in Guarenas, 30 km southeast of Caracas, degenerated into looting at a supermarket and the highway from Caracas to the east of the country was blocked with barricades.

Guarenas was the center of violent street disturbances during "El Caracazo" on 27 February 1989, which ended with an official count of 250 deaths.

Interior Minister Jesus Carmona stated that the government could suspend classes at schools that have had persistent outbreaks of violence since 8 February.

"The country has been shaken by violent outbreaks organized by subversive groups," he said.

The authorities of at least two Caracas schools have announced the suspension of activities for the remainder of the week in order to prevent the outbreak of street disturbances.

Furthermore, the teachers union has announced a 48-hour strike in solidarity with the teachers of the southwestern Portuguesa State, who have not received payment since late 1992.

Meanwhile, approximately 3,000 union members marched through the center of Caracas to defend their freedom to form worker unions. The protest concluded without incidents.

Angel Zambrano, official government spokesman, attributed the persistent wave of rumors regarding new uprisings and the associated student violence to "a guerrilla conspiracy."

'Irregular Forces' Reportedly Strafe Official Helicopter

PA1803003693 Madrid EFE in Spanish 2322 GMT 17 Mar 93

[Text] Caracas, 17 Mar (EFE)—A Venezuelan National Guard (GN) helicopter was strafed on 17 March as it was flying over an area along the border with Colombia in the Perija mountain range, 800-km west of Caracas, according to the authorities.

General Jesus Rojas, GN commander in the area, said the bullets hit one of the rotor blades, but the helicopter was able to return to base.

Rojas attributed the attack to "irregular forces" that—protected by the dense vegetation in the mountains—are engaged in illegal activities such as cutting timber and growing marijuana and coca.

Rojas said the helicopter was strafed while it was carrying out "border patrol activities near Rio Oro along the Colombian border."

The officer added that the helicopter crew detected ecological damage in the Perija mountain range and pinpointed an area in which cedar trees are being chopped down illegally.

Credit for $33 Million Signed With Japan

PA1703221693 Caracas Venezolana de Television Network in Spanish 1550 GMT 17 Mar 93

[Text] Venezuelan Petroleum [Petroven] signed a line of credit with the Export-Import Bank of Japan for $33 million on 17 March to finance the transfer of goods and services from the Asian country.

The financing is part of a program being implemented by Petroven to expand possibilities for the purchase of infrastructure and technical assistance for the benefit of its oil production operations.

The event was held at Petroven headquarters with the presence of the Japanese ambassador in our country and Dr. Gustavo Roosen, president of Petroven, and Dr. Alonso Velasco. The import credit includes long-term facilities, payable in five and 10 years, with annual interest rates of under 6 percent.

* Defense Minister Discusses Armed Forces Issues

93SM0169A Caracas EL UNIVERSAL in Spanish 14 Feb 93 pp A16-17

[Interview with Venezuelan minister of defense Ivan Jimenez Sanchez by Carlos Croes; place and date not given: "There Will Be No Coup by the High Command Here"]

[Text] *Confessions of the minister of defense. The Gulf belongs to Venezuela, period.*

A seed of distrust has been sown in the FAN [National Armed Forces] and we are trying to overcome it.

[Croes] How do you view the situation in the country from the military standpoint?

[Jimenez Sanchez] From the military standpoint, I think we have been moving gradually toward complete stability. The pressures that we experienced starting 4 February and continuing until 27 November, when the military situation exploded once again, have lessened substantially. To be more specific, over the last 15 or 20 days, the campaign of rumors has died down and the tension felt in the barracks as a result of that campaign has also diminished noticeably. If this continues, I believe we will have a return to the peace that we have known for the past 35 years.

[Croes] How has that tension manifested itself in the barracks and why?

[Jimenez Sanchez] Why? Because of those very campaigns of rumors that we experienced. Remember that a rumor has to be verified and the way we handle rumors is that if the rumor concerns us, we investigate it. Otherwise, we just let it die.

[Croes] Commander Chavez says there are still people in the Armed Forces who are working for the Bolivar Movement.

[Jimenez Sanchez] Look, it is very difficult to prove whether or not a few elements remain. There may still be some who believe that the path of violence is the only way to solve the country's problems. However, I am sure that the vast majority of the Armed Forces do not share these ideas.

[Croes] How sure can high officials be that there is discipline in the Armed Forces?

[Jimenez Sanchez] Well, my friend, we can look at the events of 4 February and 27 November. If Armed Forces officials had not retained their control of the Armed Forces, we would have had a coup d'etat. It did not happen because the great majority of the Armed Forces followed the orders of their natural commands.

[Croes] What lesson did these abortive coups teach the Armed Forces?

[Jimenez Sanchez] The lesson they taught us is a very sad one. It was a very unpleasant lesson because our Armed Forces had grown accustomed to working on plans for a possible or hypothetical foreign conflict. We are not trained to fight among ourselves. We did not think such a thing could occur. After the '60's, when we had to fight the guerrillas, we thought we would have no more internal conflicts of this nature. The coup was a blow, a heavy blow, to the Armed Forces. I do not mean they are split because that is not so. The Armed Forces are not divided, but a seed of distrust was sown and this hurts the Armed Forces. They are specifically founded on discipline and loyalty and these two virtues were violated on 4 February and 27 November. Discipline was violated because the lower ranks rose up against their superior officers, and loyalty was violated because there were cases in which the second in command took his immediate superior prisoner.

[Croes] Has that seed been eradicated?

[Jimenez Sanchez] No, Carlos, it has not. That seed has not been eradicated. The seed remains and that is the most difficult part, the greatest obstacle we have to overcome at this time in order to return to the stability that is so essential to the Armed Forces.

[Croes] Are the rank and file willing to listen to their superiors?

[Jimenez Sanchez] Yes, they are. I have said on more than one occasion that the Venezuelan Armed Forces are the best in the world. Not just Latin America, but the world.

[Croes] Why?

[Jimenez Sanchez] Because of their training, their preparation, their military conditions.

[Croes] Then if they are the best in the world, how could they split up into these movements?

[Jimenez Sanchez] Because they were forced to.

[Croes] By whom?

[Jimenez Sanchez] The country itself. Look, I cannot go into everything that has happened here over the past 15 or 20 years. Ever since I was a major or a captain, I have been hearing the same song, the same refrain. The generals are corrupt, the lower-ranking officers have very poor living conditions because the generals are taking all the money. I have heard this ever since I was a captain. I cannot go on repeating day after day things that are not true. I am not saying there has been no corruption. There has been and there is still, Carlos, but the very ones who have been condemning that corruption, the ones who have tried to prevent it from happening, are the Armed Forces themselves. In this country, no one, absolutely no one, from the outside has come to investigate corruption in the Armed Forces. Corruption in the Armed Forces has been investigated by the Armed Forces themselves. Those put in prison for corruption in this country were put there by the Armed Forces. The trials begun in this country that ended with arrest warrants were instituted by the Armed Forces. The Safeguard Law is only 12 or 13 years old in this country, Carlos. The Code of Military Justice of which there has recently been so much talk dates from 1933 and, even then, the Code of Military Justice punished or penalized those guilty of corruption in the Armed Forces, and not just the ones who stole money. No, my friend, anyone damaging property out of carelessness or neglect is punished by the Armed Forces.

[Croes] Does that still happen?

[Jimenez Sanchez] Yes, it does.

[Croes] Do the rank and file not see these things?

[Jimenez Sanchez] Yes, they do, but the campaign waged from the outside in is a frightful campaign. Look, here sailors are tried because in berthing a frigate, they damage it. Here a man is punished because he dropped his revolver and, in so doing, damaged it, and here we have punished men for stealing money by virtue of a military contract, and all of this has been publicized outside the Armed Forces. This is not something they came from the outside to tell us, or a case of our being investigated from the outside. We conducted the investigations ourselves because it is so stipulated in our regulations, our Code of Military Justice.

[Croes] When you say from the outside in, who came from the outside?

[Jimenez Sanchez] Those waging this campaign.

[Croes] The Armed Forces are made up of men. In a social situation such as the one we are now experiencing in our country, the Armed Forces are hit hard. They react because they see things on the other front, the political front. It is not always a reaction against the generals, but sometimes against a system that lets things get by while the Armed Forces have to make the sacrifice of getting up at 0500, enduring a low standard of living, while a general earns 60,000 bolivars and any politician can get rich with impunity. That is what causes the anger behind these coups. Is it justified?

[Jimenez Sanchez] No, it is not. These may be the excuses they give in order to try to justify something that is unjustifiable because nothing can justify a coup d'etat. No matter how bad off we are in this country, we can compare our situation with others and see that we come out the best vis-a-vis those to whom I am referring. With all its flaws, with all the problems we may indeed have, our country is a country that.... Look, we are amazed when we leave and see the things that happen in this country. Here at home, people say there is no change, but changes are occurring, profound changes of all kinds, in the political field, the social sphere, industry, the military. Changes are happening everywhere.

[Croes] Whenever the president talks about these movements, he talks of a lodge in the Armed Forces. Does such a lodge exist?

[Jimenez Sanchez] That refers specifically to the 4 February movement, which is what the president meant. He said there was such a lodge that had been forming since the '80's and that it was that very one that led to the 4 February movement. I do not know whether it can be called a lodge. I do not get into such political definitions. I do know that they have studied and analyzed the fact that in the '80's, those who participated, the bosses, the leaders of the 4 February movement, got together and were always having meetings, swore oaths, followed certain procedures, and gradually organized until it all came to a head on 4 February.

[Croes] Without being detected?

[Jimenez Sanchez] They did have some information and there was talk of the Comacate. They have been talking about it since the '80's, but there was no solid evidence on which to arrest anyone and punish them because of the movement. People say they had the information and did not punish the person suspected. It is difficult to detect a conspiracy and, if you do, it is hard to prove.

[Croes] Now then, from the military standpoint, what is the difference between the events of 4 February and 27 November?

[Jimenez Sanchez] The 4 February coup was something that had been in the planning for a long time. I think it had an ideology and was basically a military movement. We have still found no ideological foundations for 27 November. It was a civic-military movement with many civilians involved. We are still investigating it. At least at Base Libertador, an undetermined number of civilians participated, but we do not know how many. I can tell you that we have detained over 11 vehicles at Base Libertador, are trying to find out who the owners of these vehicles are, and how many persons got into those vehicles at the base. So there is a difference between the two movements. Nevertheless, the 27 November movement is the result of what happened on 4 February.

[Croes] But the two are ideologically different?

[Jimenez Sanchez] There are differences, marked differences, and not only in the hierarchies.

[Croes] Is what Visconti claims true, that everyone knew about that movement? Politicians, military people, clerics?

[Jimenez Sanchez] If he says it, he must have his reasons.

[Croes] But neither of these movements had any participation from the outside, from abroad, of related movements?

[Jimenez Sanchez] No.

[Croes] Is it true that you had indeed detected the conspiracy and just let it happen?

[Jimenez Sanchez] No, we did not. That is Machiavellian. How can anyone think we would risk the lives of so many Venezuelans by waiting for something to blow up that could generate so much violence, like what happened here on 27 November?

[Croes] How did the minister of defense learn of the conspiracy? Who notified him first?

[Jimenez Sanchez] Early in the evening, telephone calls started coming in from different places and many different people to warn us. Look, in Maracaibo, let us say that rumors circulate to the effect that something is afoot tonight, to give you an example. At around 2230 or 2300, the general commander of the Army calls to inform me that weapons have been stolen from the supply depot. Later on, Admiral Mauco Quintana telephones to tell me that an officer had come to inform him of an uprising that night and who the participants would be. We immediately start to contact the High Command in order to try to find out who the participants are. We go to the Ministry of Defense and, from there, start to direct operations throughout the territory and to contact all garrisons instructing them to maintain military control of the country. Early in the morning, 12 C-130's take off from Base Libertador and head for Puerto Cabello. We do not know how the Air Force is involved. Since they cannot find the persons they are looking for at Puerto Cabello, they take off and land at Acarigua. From then on, we begin to identify who in the Air Force is involved in the movement. This is more or less how it all came about.

[Croes] Is it not surprising to a minister of defense that as an Air Force officer, it is his branch of the service that rises up against him?

[Jimenez Sanchez] Yes, it is surprising. Not only is it surprising, but it makes a profound impression and hurts very deeply emotionally. Only a few days before, on the 15th or 20th, I was at Base Libertador and met with all the officers and noncommissioned officers from the base. I did not find an atmosphere of revolt. But that is logical, logical because the vast majority of the people at the base were unaware of the movement. They say everyone knew about it, but that is not true. There were rumors like the ones we heard, but no one knew what would happen to the movement and many of those same officers, a very large number of them, were deceived by the action, so much so that there are officers in prison right now who do not understand why.

[Croes] So then why are they in prison?

[Jimenez Sanchez] They are there because they participated in the movement and because, unfortunately, the strategy used by those defending them was not the most appropriate. If they had been properly defended at the special trial, there would be no more than 30 or 40 persons arrested for the events of 27 November. If they had had a proper defense, most of them would have gone free.

[Croes] And why was the defense not effective?

[Jimenez Sanchez] Because the defenders chose a strategy of maintaining that the trial was illegal and that they had to await the nullity of the presidential order.

[Croes] Thinking that the prosecutor would definitely declare that nullity today.

[Jimenez Sanchez] I do not know, but that was more or less the strategy they proposed, and they were not present at the sworn statement in which the suspect defends himself. Moreover, if they are not present, their defense is not effective.

[Croes] Among the many claims made, is it true that General Paredes Nino asked that General Visconti be replaced because he participated in the 4 February coup?

[Jimenez Sanchez] I have no such information. I do know that after 4 February, General Visconti was investigated because there have been many rumors since that time, rumors to the effect that he did not actually participate, but was connected with the 4 February movement. He did have some knowledge of the 4 February movement, but this could not be proved at the time. It could not be verified.

[Croes] Is it true that Rear Admiral Gruber Odreman expressed displeasure with promotions, issued challenges, and wrote public letters?

[Jimenez Sanchez] No, it is not.

[Croes] How can that be when the letters were published? Why do they absolve civilians?

[Jimenez Sanchez] Because lawyers go and defend them and there is not enough evidence to convict them. That is why they are absolved. The special trial is a trial held in accordance with all the procedures of a regular trial.

[Croes] Before this ever happened, the newspapers were given a document said to be a statement by one Escovar to the DIM [Military Intelligence Directorate] to the effect that a coup was being planned for 4 October.

[Jimenez Sanchez] That is true, but the document did not come from the DIM. That is not true.

[Croes] So the statement did not come from the DIM?

[Jimenez Sanchez] It did not. Oh, excuse me! I know what you are talking about. You are referring to Lieutenant Colonel Escovar De La Rosa. Well, that was all part of the same investigation being conducted. The business about General Fuguet Borregales and Dr. Marcel Granier was not true. He did mention them, but they never participated or had anything to do with this.

[Croes] Was that document connected with this?

[Jimenez Sanchez] With the events of 27 November?

[Croes] Yes.

[Jimenez Sanchez] Naturally! It was part of the whole process that we were following. We arrested Colonel Escovar and brought him before the Investigative Council, which determined that there was sufficient cause for him to be discharged for disciplinary measures, which is what we did. This was the upshot of the DIM investigations. With what DIM gave us, we found....

[Croes] How many are still involved in the trial for the events of 27 November?

[Jimenez Sanchez] How many have been arrested?

[Croes] Yes.

[Jimenez Sanchez] Eighty-six.

[Croes] And the rest of the soldiers from the Bolivar Movement, are they out?

[Jimenez Sanchez] They are still a part of their forces.

[Croes] Are the Armed Forces not quite splintered right now?

[Jimenez Sanchez] The Armed Forces and the Venezuelan Armed Forces specifically are a very strong institution, strong in the spiritual sense. Strong in the sense of the values followed in the Armed Forces. The Armed Forces' ability to recover is therefore very rapid due to these same values and virtues and the very training of their men.

[Croes] Here the Armed Forces do not analyze what happens because they are also part of the country's social fabric. What happens outside the country, what people think, that business I was telling you about today, about our institutions being very splintered, that justice is not working, that Congress does not work, that there is widespread corruption: Does all of this not move the Armed Forces to make some proposal?

[Jimenez Sanchez] Of course it does. We analyze all these things. Not only do we analyze them here in the Joint Staff, but analyses are made by Ceconasede and the results of all the studies are presented at the proper levels. Everything that happens is analyzed here in the Ministry of Defense by the Joint Staff and Ceconasede.

[Croes] The fact is that the deterioration has reached the point of a lack of social discipline, and what is happening in Venezuela is a coup at the higher levels, no longer as an alternative, but a solution.

[Jimenez Sanchez] No, no, no! That is not true! Look, what is happening in Venezuela is not a coup at the top or the bottom. What is happening in Venezuela is not the creation of more violence. What is happening in Venezuela is dialogue. What is happening in Venezuela is tolerance. What is happening in Venezuela is that we must all unite.

[Croes] How can we unite if we cannot even unite people in the parties?

[Jimenez Sanchez] We have to have a dialogue.

[Croes] But who will direct that dialogue?

[Jimenez Sanchez] It has to be the top political leaders because otherwise, what we will have here are groups isolating themselves, with every person beginning to act by himself, which complicates everything because we will then be moving toward anarchy. I do not think that is the future we want for our children or grandchildren. I think that what we want for our children and grandchildren is a country in the midst of development, a country at peace, so that Venezuela can develop as it should. Venezuela is a wealthy country with human resources, land, things we cannot even imagine.

[Croes] Speaking from the standpoint of the Armed Forces, do you think the leadership we have right now in Venezuela can solve these problems?

[Jimenez Sanchez] If they think more about Venezuela than they do themselves, yes. We must stop being selfish. We have to make concessions. We have to give up privileges, eliminate our privileges.

[Croes] Which ones?

[Jimenez Sanchez] All of them. Look, we have to see what things we have individually that bother our neighbors and eliminate such privileges. This is what we have to do. We have to sit down and think seriously about Venezuela, about the country as a whole, rather Ivan Jimenez individually. If I, as a minister, think only about Ivan Jimenez, then I am a failure. I have to think as a minister, as part of the Armed Forces, as a whole.

[Croes] You talk about the distribution of wealth and political corruption. What precisely do you mean?

[Jimenez Sanchez] Everything. We have to give up privileges in all fields, in every sense, in all spheres. That is the only way we can change the situation in which we find ourselves right now. I cannot keep special privileges when my officers experience the same hardships as the rest of the country because they also have to go to the market. They have to pay for an apartment; they also have to pay for gasoline. So I cannot possibly have privileges far exceeding anything those officers have. I have to give up such things.

[Croes] What do the politicians have to do, for example?

[Jimenez Sanchez] I think the politicians have to sit down and talk, discuss the country's problems, seek solutions for the country's problems together, not as isolated groups. The entire country has to sit down and have something like seminars; I am not sure. They will find the right formula, but they must sit down together to search for solutions to the problems rather than act in an isolated fashion.

[Croes] How do you reconcile Cause R, COPEI [Social Christian Party], the AD [Democratic Action]?

[Jimenez Sanchez] They have to do it themselves. If they really love Venezuela and truly want to solve Venezuela's problems, they have to sit down together.

[Croes] And what if they will not?

[Jimenez Sanchez] Then the changes will continue. Venezuela will keep moving forward. I am very optimistic about that. I am an optimist, Carlos, because I have three daughters. Two of them have already graduated and the third is still attending the university, the youngest, and I hear her talking with her friends, her classmates. These are strong young people, young people who are thinking about their country and studying for their country. They are young people who are going to roll over us when we least expect it and without our imagining that they are going to do it.

[Croes] But does that not also apply to the Armed Forces, the fact that a young movement will arise in the Armed Forces and roll over us also?

[Jimenez Sanchez] No. These are situations, not movements. I want you to understand what I am saying from the standpoint I am saying it.

I mean that these are young people training themselves for Venezuela. They are young people that you hear talking and the last thing they talk about is politics, rather a surprising thing in a country as political as ours.

[Croes] Is that not serious?

[Jimenez Sanchez] It is.

[Croes] Does it not mean the parties are going to get buried?

[Jimenez Sanchez] It is serious, which is why the parties have to sit down and dialogue and see what is happening. But they, as human beings, human beings preparing for the future, are doing so while thinking about Venezuela, which is good.

[Croes] How do the FAN [National Armed Forces] view the parties? Do you think the parties will resolve the crisis?

[Jimenez Sanchez] I repeat that yes, they can, that yes, we believe they can solve the crisis. Furthermore, they are the only ones who can solve it, but once again, they have to sit down and think about Venezuela, about the country as a whole, not as individual groups, saying, "My group can solve the problems. Yours cannot." It cannot be that way. If we unite, we can solve the problem. United, we can solve any problem, but if we act separately, nothing will be resolved.

[Croes] Here a so-called Group of the Three is meeting and there is a bulletin from the Institute of Border Defense which tells Colombia that it cannot offer the Montes de Oca coal mines because they belong to us. How do the Armed Forces see this situation from the standpoint of the Gulf? Is Venezuela yielding?

[Jimenez Sanchez] No, no, no! This country refuses to give anything away. The position of the Armed Forces is that the Gulf of Venezuela belongs to Venezuela and that we have never at any time discussed our sovereignty over the Gulf. We do not discuss it because it is ours. I do not discuss what is mine. It is mine. I enter into negotiations when there is doubt. Here we have no doubt that it is ours.

[Croes] Briefly, what actually happened in that conversation between a minister and division general with a defendant such as Major Arias Cardenas? What was the reason for such a curious meeting?

[Jimenez Sanchez] It was not a meeting. It was a hearing like one I would grant any officer in the Armed Forces and it was...there were a few private proposals that we made, problems of a private nature, nothing more.

[Croes] Has it been proposed that those officers be pardoned?

[Jimenez Sanchez] Well, I do not think they can be pardoned right now for the simple reason that they have not been sentenced and a pardon is always granted after the sentence. Yes, there have been stays, many of them. The proof is that of all the 4 February defendants, scarcely 40 are left. All the rest have had their proceedings stayed. Of those connected with 27 November, 296 were freed after the trial and only 86 prisoners remain. All the rest were released. We are awaiting the decision of the Supreme Court of Justice to see what action we can take. I am sure that immediately after the Supreme Court of Justice hands down its ruling, more stays of proceedings will be granted. In the meantime, the Military Tribunal will begin its trial, if the case goes to the Military Tribunal.

[Croes] What is the position of the Armed Forces, of the minister of defense, on the leaders of the rebellion?

[Jimenez Sanchez] Our position is that we have already ended our trial. If there is a firm sentence and they must be pardoned, then that is up to the president. If there is no sentence and stays must be issued, then that also is up to the president. We in the Armed Forces respect the decision of the commander in chief in a disciplined manner.

[Croes] Has the image of the commander in chief not been weakened with the Armed Forces?

[Jimenez Sanchez] No, because we support the constitution and the laws and the constitution say that the president of the republic is the commander in chief. We cannot weaken him because that would be to go against what is established by law.

[Croes] Has the president not lost respect as commander in chief of the Armed Forces?

[Jimenez Sanchez] No. He is the president. We see the presidential figure and he is the commander in chief of the Armed Forces. Remember, Carlos, that we can say we are "antipersonal." We do not see the person; we see the majesty of the post.

[Croes] How does Ivan Jimenez feel personally, for example, about having helped save the democracy, even the government of President Perez? How do you feel? In some quarters, did they take their time helping you or delay promoting you to posts you deserved?

[Jimenez Sanchez] On that score, I feel very good. I have always been a man who moved through his military career by complying with all the regulations. I have always done my job in accordance with those regulations and I feel good about that. In terms of saving democracy, as you call it, I feel very bad, not about saving democracy, but about having had to fight against my comrades. The date of 27 November, to be specific, was a very difficult situation for me, very painful, very sad, because I have known many, many of those officers since they were cadets. I had the good fortune to serve three years as a captain, as a staff officer at the School of Military Aviation, and I thus got to know nearly all of these officers. I also had the opportunity to serve a year as the director of the School of Military Aviation, which also enabled me to know those who are now lieutenants and a few who are 2d lieutenants. This means I have known the oldest officers in the movement as well as the youngest. In other words, to fight against officers I have known since the time they were cadets, some of whom worked with me at some phase in our military career, is hard, Carlos. That is why I cannot be happy, why I cannot feel good, because when there are ties such as those we have in the Armed Forces and those ties are broken because of the very situation in which we lived, it is always sad.

[Croes] For example, when Ivan Jimenez returns to civilian life, will he seek a political career or join a party?

[Jimenez Sanchez] No. I will tell you something I have recently maintained. For me, being a minister has been very easy in terms of doing my job. It has also been very difficult because of all the things that have happened, but in the normal role of serving as minister without having to look at what led us to 4 February or what happened on 27 November, aside from that. Let us assume that none of this happened, that I was a normal minister, like those who lived in this democracy and did not have to struggle with the things we did, then it would have been very easy for me to serve. It would have been very easy because I have no political aspirations or ambitions. I have no aspiration or ambition that they would confirm me in the post. I have no aspiration or ambition that they might name me ambassador or consul or have such a post anywhere. I have a single ambition, Carlos, and I will tell you what it is because that is what I truly feel. My only ambition is to retire, to devote myself to reading, writing, and enjoying something I never enjoyed in my entire life: my daughters and granddaughters. I have devoted myself entirely to my profession and may often have neglected my family for my military life. Now, as my career draws to a close, I want....

[Croes] How many grandchildren do you have?

[Jimenez Sanchez] I have two granddaughters. You know I am a man who lives in a household of women. I have a wife, three daughters, and two granddaughters.

[Croes] No boys?

[Jimenez Sanchez] No! Can you imagine that? So I want to enjoy that. I have no desire to be an ambassador or anything like it. Look, I will get out with just my pay, all of my pay, but I fortunately have no debts. I have my house in Maracay which I bought from IPSFA [National Armed Forces Social Security Institute] over 20 years ago. It is paid for. We are lucky that the Armed Forces set up the trusteeship with our contributions, which pay interest that also helps us to live comfortably. I do not have a fortune. I am not rich, if that is what you mean, Carlos. My wealth is my family. My fortune is my family, but with what I earn, I have lived well so far, so why not go on living well?

[Croes] As a man, what does Ivan Jimenez think of people who get rich in government?

[Jimenez Sanchez] Look, I think they are people who in some way have failed to adapt. People with exaggerated ambitions, who judge everything in terms of money and who do not judge things by their spiritual aspect or the goodness they might have. They are people who think that if they do not have money, they are worthless.

[Croes] What would General Jimenez do if he were a judge and had to deal with a corrupt individual guilty in fact and in law?

[Jimenez Sanchez] Well, I would do what I have been doing as a minister: investigate. If he is guilty in fact and before the law, then I would institute proceedings and let the courts decide.

[Croes] Would you not do as the Liberator did and shoot him?

[Jimenez Sanchez] Well, no, I could not shoot him because I am prevented from doing so by the constitution. Here we do not have the death penalty. Anyone who takes the people's money must be punished to the full extent of the law. I think the penalties that exist today are very light for those who have misused the people's money.

[Croes] Has Ivan ever been disappointed about people he thought were honest and then turned out to be dishonest? Has such a thing ever really hurt you?

[Jimenez Sanchez] Yes, I have. I have been disappointed in people in whom I have believed and then suddenly realized that they were not the persons I thought they were, not only in the field of monetary corruption, but in terms of morals, which also exist and which may be doing us more damage than monetary corruption. Here we tend to look only at those who stole millions, but there are others who do terrible harm by virtue of their conduct.

[Croes] In conclusion, it is said that you are a "Prussian," that you are inflexible. Is it not arbitrary to punish the rebels for what they say?

[Jimenez Sanchez] You must never forget that they are soldiers. You yourself have criticized me because I do not allow them to speak, but discipline must be maintained.

[Croes] How will the promotions be made?

[Jimenez Sanchez] A reform of the Organic Law on the Armed Forces has been introduced into Congress, but I do not think it will be ready by July. Nevertheless, we are willing to be governed and to abide by the promotions as provided for in the Organic Law on the Armed Forces.

[Croes] Without political interference?

[Jimenez Sanchez] We refuse to accept interference of any kind. We will not accept it.

Guyana

Opposition Criticizes National Budget

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[Text] Georgetown, Guyana, March 15, CANA—The parliamentary opposition People's National Congress (PNC) has criticised Friday's [12 March] national budget as a "three-card trick," saying it will not help the small man. The party, which frequently heckled Finance Minister Asgar Ally's marathon maiden presentation, said the budget purported to grant concessions on one hand while withdrawing substantial benefits on the other.

"While the increase in the tax threshold is to be welcomed, the budget has heaped a number of new burdens on the backs of the citizens. Many of these burdens have been cleverly hidden and some, although listed, have not been quantified in the budget. Preliminary analysis indicate these will be sunstantial," the party said at the weekend.

"The budget purports to give the private sector some concessions but the overall tax burden is increased by the hike in corporate taxes and additional taxation on a range of commodities and services although the actual incidence of taxes has been deliberately withheld," the former ruling party said in a statement.

Ally announced a G48,000 dollars increase of the income tax threshold from the current G72,000 to G120,000 dollars per annum for lower-salaried public servants. This means that public sector employes earning G10,000, or less, would not pay taxes. About 30,500 low-income earners are not exempt from paying income tax. But, the party reserved its most scathing attack on the 20 per cent wage hike, which the finance minister said would become effective from July 1, this year.

The party said: "The greatest deception is the trick they are attempting to play on the public servants with respect to the wages and salaries increases, but the public servants are unlikely to be fooled."

It added: "Under the minister's formula, public servants will only be receiving 10 per cent for the year as a whole and this, in real terms, could be a negative. Even if we accept the minister's forecast of a 9 per cent rate of inflation, which we do not, then the real increase to the workers will be a measly 1 per cent."

The president of the umbrella Federation of Independent Trade Unions of Guyana (FITUG), Gordon Todd, told CANA Monday the budget contained no new initiatives and predicted the workers would reject the 20 per cent increase.

"It has not contained any new initiatives whatsoever. It reads like the (PNC) budget of last year. Only the numbers have been changed," Todd, head of the six-union grouping, said.

"The unions would have to keep up the pressure on the government for a mimimum wage on which the workers can exist," he said, adding the labour movement was hoping for a 100 per cent pay hike. The current increase, he said, took the existing mimimum wage to about half of what unions were demanding, the FITUG president said.

Manzoor Nadir, the presidential candidate of the small parliamentary opposition United Force (UF), welcomed sections of the budget, but thought it had taken a substantial swipe at what he called the newly re-emerging middle class. Nadir, who declined a detailed comment on the budget, said his party wanted income tax to be abolished completely. The government, he said, would have to examine various types of Value Added Tax (VAT) on luxury goods to plug the shortfall in revenue.

He also suggested goverment divest loss-making state enterprises, including the state power company, the Guyana Electricity Corporation (GEC) and implement new taxes on luxury items such as gasolene and cigarettes. "I think that is the way to go," Nadir told CANA.

The privately-owned daily STABROEK NEWS quoted chairman of the private sector commission, Yesu Persaud, as being surprised by the 10 per cent hike in corporate taxes from 35 to 45 per cent after the PNC had lowered it from 55 to 35 per cent in 1992.

"It (the hike) took us by surprise. I must say we didn't anticipate that," the paper quoted him as saying. This, he continued, would "carry us back" to the day when the business community were appealing against the high tax. He also welcomed the budget waiver of consumption taxes on inputs for locally-produced consumer goods, including hatching eggs, incubators, and concentrates for the manufacturing and processing industries.

"That is a boost for our run-down poultry industry and we commend it," Persaud, chairman of the rum-producing Demerara Distillers Limited (DDL), said. Minister Ally also waived the tax on tractors, ploughs, harrows, and combine harvesters for agricultural production by small farmers.

Suriname

Defense Minister Under Scrutiny After Alleged 'Coup' Threat

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[Unnamed "own correspondent" report: "Venetiaan Puts Defense Minister Under Scrutiny"]

[Text] Paramaribo, 15 Mar—President Venetiaan has placed Surinamese Defense Minister Gilds under his own personal surpervision.

This happened after an accusation from a group of officers that Gilds has been planning a "coup" against the army leadership. In the future Venetiaan will talk with the Army leadership directly and not through Gilds. In the future the minister must submit policy measures to the president personally. According to Venetiaan, the officers' accusation that Gilds had been "wittingly" seeking "bloodshed" has been laid down before the procurator general.

This was announced by Venetiaan on Saturday [13 March] after talks with Gilds and three members of the army leadership. High-ranking officers has asked for a meeting in a petition to the president. The action taken by Venetiaan is the latest high point in a long-running conflict between the Army leadership and Gilds, who has been given the task of reorganizing the Army and who is advocating the replacement of the present military elite.

In a statement issued yesterday evening acting army commander I. Graanoogst said that Gilds and an unnamed high-ranking officer had plotted the "violent replacement of the army leadership." Gilds is said to have said: "Here and there bullets will fly and a little blood flow, but this must be so; the government knows its responsibility in this respect."

As a result a "very dangerous and unstable and unsafe situation has arisen in the Army, and as a result the security of the state has been endangered," said Graanoogst, who added that "because of this, there is no longer confidence in the minister."

It is assumed in Paramaribo that the "high-ranking officer" is a reference to Commander E. Boereveen, chairman of the committee giving advice on the reorganization of the Army and a candidate to succeed army leader Desi Bouterse. Bouterse resigned at the end of last year after a conflict with Gilds, who at that time still had the support of Venetiaan. The government was to have reached a decision last week about replacements for the Army leadership, but this did not happen.

At the end of last month Gilds again came into conflict with the Army leadership when, despite his express ban, it held a public ceremony to commemorate the 1980 coup. After this "insubordination" Gilds declared that he can no longer work with the present army leadership.

Morning paper DE WARE TIJD writes in a commentary that after recent developments it is no longer possible to replace the Army leadership because all the officers who could come under consideration for appointment to the Army leadership belong to the group of 22 high-ranking officers who signed the request for a meeting with Venetiaan.